
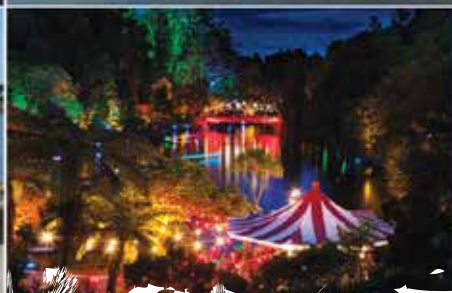


NEW PLYMOUTH. TARANAKI.

Annual Report *2016 / 2017*



Mountain to Sea
Te Kaunihera-a-Rohe o Ngāmotu
**NEW PLYMOUTH
DISTRICT COUNCIL**
newplymouthnz.com
2nd Best Region in the World to Visit
Euromoney Market 2015



Contents

Introduction

From the Mayor and Chief Executive	2
Our Services at a Glance	3
Our Role and Governance Structure	4
Who We Are	5
What We Stand For	6
Working Together With Māori	8
Financial Summary	12
Benchmarks	16

Council Services

Introduction to Council Services	23
Parks and Open Spaces	24
Transportation	27
Stormwater Drainage	31
Flood Protection and Control Works	33
Solid Waste and Kerbside Collection	35
Water Supply	38
Wastewater Treatment	42
Emergency Management and Business Continuance	45
Community Partnerships	47
Govett-Brewster Art Gallery	49
Puke Ariki and District Libraries	51
Venues and Events	54
Regulatory Services	57
Economic Development	61
Civic and Democracy Services	64
Management of Investments and Funding	66
Funding from External Sponsors	68

Financial Statements

Statement of Comprehensive Revenue and Expense	70
Statement of Financial Position	73
Statement of Changes in Equity	74
Statement of Cash Flows	75
Notes to the Financial Statements	76
Funding Impact Statements	117

Council-controlled Organisations

New Plymouth Airport Joint Venture	134
Forestry Joint Ventures	136
New Plymouth PIF Guardians Limited	137
Tasmanian Land Company Limited	138
Venture Taranaki Trust	139

Auditor's Report

141

Statement of Compliance and Responsibility

145

From the Mayor and Acting Chief Executive

Our people, our environment and our economy are at the heart of everything we do as we continue to make the best of our district for all of our 80,000 residents. With an operating budget of \$130 million and \$2.5 billion dollar asset base, we provide the core services our communities expect such as roads, water and waste, as well as dynamic arts, cultural and recreational opportunities for locals and visitors alike. Over the last year there have been many highlights but there are three we want to touch on here:

- International credit agency Standard and Poor's confirming NPDC's financial ratings as AA/A-1 – the highest rating possible for a local government body in New Zealand.
- Travel publisher Lonely Planet announcing Taranaki as one of the top two regions in the world to visit in 2017, thanks to decades of sustained investments from councils.
- Many hours of listening and conversation has resulted in the creation of Te Huinga Taumatua, our new iwi/NPDC governance partnership committee.

Other notable successes include:

- A comprehensive community discussion on the proposed focus areas begins, as a prelude to engagement on the 10-year work programme, called the Long-Term Plan.
- Zero Waste journey: the Council decides to develop a waste reduction and education facility on Colson Road to reduce the district's waste volume.
- Treasure our Water: the Water Master Plan, which manages the district's water supply with a focus on sustainability, is adopted.
- Modernising through technology: a new website as a platform for developing more digital-based Council services is launched.
- The Entertainment Venue Association of New Zealand Awards names Yarrow Stadium the Large Venue of the Year, beating Eden Park and Hagley Oval for the accolade.
- The World Health Organisation reconfirms New Plymouth District as an International Safe Community, a title we have held since 2005.
- The Government approves NPDC's funding application for the next nationwide roll-out of ultra-fast broadband to include Waitara, Inglewood, Urenui and Okato.
- The Len Lye Centre wins the Best Creative Place Award from Local Government New Zealand.

Let's finish by acknowledging the huge contribution made by former Deputy Mayor Craig MacFarlane. Craig resigned from this position during the year to focus on his health and vastly experienced Councillor Richard Jordan picked up the Deputy Mayor role. Thank you Craig for your decades of tireless work for our community.



Neil Holdom
New Plymouth District Mayor



Alan Bird
Acting Chief Executive

Our Services at a Glance

This is New Plymouth District

Mountain to Sea
Te Kaunihera-ā-Rohe o Ngāmotu
NEW PLYMOUTH DISTRICT COUNCIL
newplymouth.govt.nz
2nd Best Region in the World to Visit (Lonely Planet 2017)

Spanning an area of 2,324km²
Home to 80,000 people
Population growth of 12.2 per cent since 2006



We operate:

Four multi-purpose recreation, sport and entertainment venues
Six libraries and a mobile library bus service that service 27,545 active library members
One regional museum
One art gallery
Seventeen cemeteries and one regional crematorium
Five transfer stations and one regional landfill
Twenty water reservoirs with a total capacity of 63,000m³
Four water treatment plants
Thirty-four pump stations and 704km of sewers servicing more than 25,200 properties

We maintain:

1,112km of sealed roads
168km of unsealed roads
532km of footpaths
82km of walkways, including 12.7km of coastal walkway
Thirty-six neighbourhood reserves
1,525 hectares of park and reserve land
Eleven urban halls

We provide:

Forty-seven playgrounds
Twenty-four sports parks
Nine skate park sites
Five swimming pools
Six camping grounds
Fifty-four public toilets
35.4m litres of drinking water a day

We support:

Ninety-five dogs being re-homed every year

We collect:

6,000 tonnes of recycling and 7,000 tonnes of refuse at the kerbside each year

Our Role and Governance Structure

Our Role

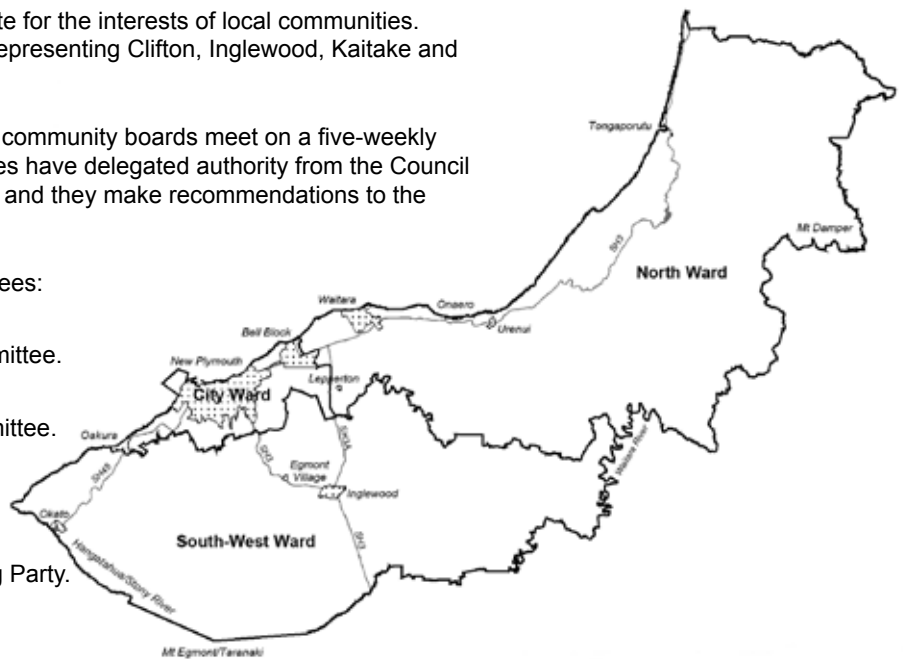
The Council is made up of 15 elected members - the Mayor and 14 councillors representing three wards (New Plymouth City, North and South-West). The Mayor's role includes leading the development of plans, policies and budgets for the consideration of councillors.

Community boards represent and advocate for the interests of local communities. The Council has four community boards representing Clifton, Inglewood, Kaitake and Waitara.

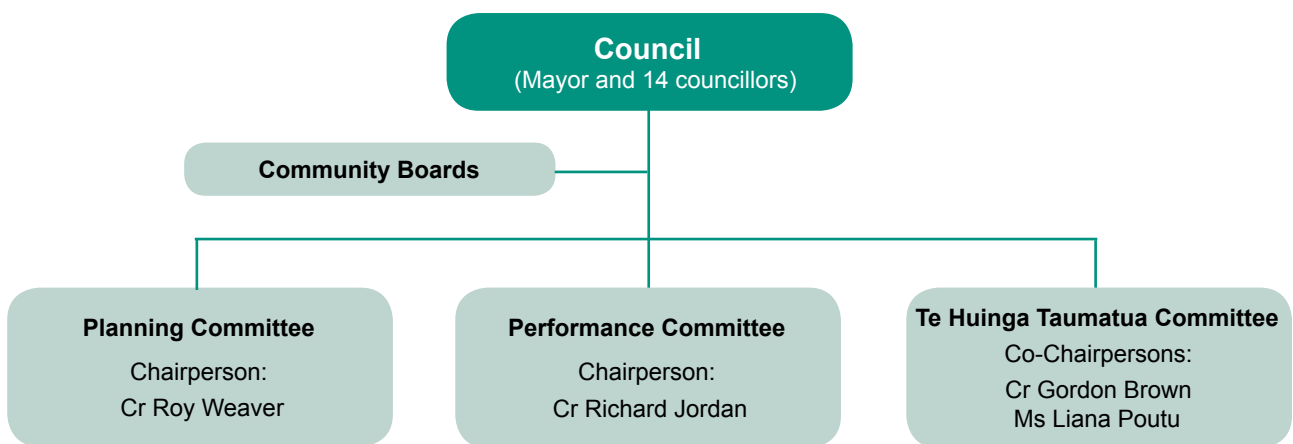
The Council, its standing committees and community boards meet on a five-weekly cycle as required. The standing committees have delegated authority from the Council to make final decisions on certain matters and they make recommendations to the Council on all others.

There are also a number of other committees:

- Audit and Risk Committee.
- Community Funding Investment Committee.
- CE Performance Review Committee
- Creative Communities Advisory Committee.
- District Licensing Committee.
- Len Lye Committee.
- Yarrow Stadium Joint Committee.
- Accessibility and Aged Issues Working Party.
- Police Liaison Working Party.



Governance Structure



Committees and their objectives:

Planning Committee: Oversees development, review and amendment of strategies, policies, bylaws and plans.

Performance Committee: Monitors the Council's performance and enables delivery of operational activities in accordance with approved policies/plans.

Te Huinga Taumatua Committee: Partnership between New Plymouth District Council and the iwi of the district to enhance the Council's decision-making processes for the benefit of the people of New Plymouth District.

Who We Are

Mayor and Councillors



Mayor
Neil Holdom



Deputy Mayor
Richard Jordan
South-West Ward



Cr Shaun Biesiek
New Plymouth City Ward



Cr Gordon Brown
New Plymouth City Ward



Cr Murray Chong
New Plymouth City Ward



Cr Harry Duynhoven QSD
New Plymouth City Ward



Cr Richard Handley
New Plymouth City Ward



Cr Stacey Hitchcock
New Plymouth City Ward



Cr Colin Johnston
North Ward



Cr John McLeod
New Plymouth City Ward



Cr Alan Melody
New Plymouth City Ward



Cr Mike Merrick
New Plymouth City Ward



Cr Marie Pearce
South-West Ward



Cr Roy Weaver
New Plymouth City Ward



Cr John Williams
North Ward

Who We Are

Community Board Members

Clifton Community Board

Ken Bedford (Chairperson)
John McLean
Warren Petersen
Pam Street

Kaitake Community Board

Doug Hislop (Chairperson)
Graham Chard
Paul Coxhead
Mike Pillette

Inglewood Community Board

Kevin Rowan (Chairperson)
Jenny Bunn
Mel Cook
Karen Moratti

Waitara Community Board

Andrew Larsen (Chairperson)
Trevor Dodunski
Jonathan Marshall
Joe Rauner

The Executive Team

The Council's executive and staff implement Council decisions and manage the district's day-to-day operations.



Alan Bird
Acting Chief Executive



Liam Hodgetts
Group Manager Strategy



Jacqueline Baker
External Relations and
Communications Manager



Andrea Smith
Group Manager
Organisational Development



Kelvin Wright
Chief Operating Officer



Gaye Batty
Business Transformation
Manager



Wayne Leach
Acting Chief Financial Officer

What We Stand For

In preparing its current LTP the Council adopted a strategic vision to guide decision making around the planning and development of strategy and policy. The current vision is Shaping Our Future Together with community outcomes and principles that set out how they work.

Outcomes: What the vision means for the future

<p>OUR ECONOMY</p> <p>A STRONG AND RESILIENT ECONOMY</p> <ul style="list-style-type: none"> Sustainable management of economic resources Innovation and creativity Industry diversification 	<p>OUR ENVIRONMENT</p> <p>A CLEAN, GREEN, LIVEABLE ENVIRONMENT</p> <ul style="list-style-type: none"> Sustainable management and protection of natural resources Liveable environments Forward planning for future challenges 	<p>OUR COMMUNITY</p> <p>AN INCLUSIVE AND CONNECTED COMMUNITY</p> <ul style="list-style-type: none"> Foster pride and collective sense of identity Celebrate vibrant Taranaki lifestyle Strong, resilient and safe communities that value diversity
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FOUR KEY PRINCIPLES FOR HOW THE COUNCIL WILL WORK:
 Stewardship of Resources - Valuing Te Ao Māori -
 Facilitation, Collaboration and Partnership - Open and Honest Engagement

The Council's strategic vision was then expanded to include a 30 year spatial plan called the New Plymouth District Blueprint. The Blueprint contains eight key directions that will help guide the Council's planning over the next 30 years to ensure more integrated social, economic and environmental outcomes are achieved.

<p>Communities Strengthen and connect local communities</p>	<p>Environment Enhance the natural environment with biodiversity links and clear waterways</p>	<p>Growth Cohesive growth that strengthens the city and smaller settlements</p>	<p>Talent Attract entrepreneurs, talented workers and visitors</p>
<p>Citizens Enable engaged and resilient citizens</p>	<p>Destination Become a world class destination</p>	<p>Central City Champion a thriving Central City for all</p>	<p>Industry Strengthen the rural economy, industry, the port and the airport</p>

Working Together with Māori

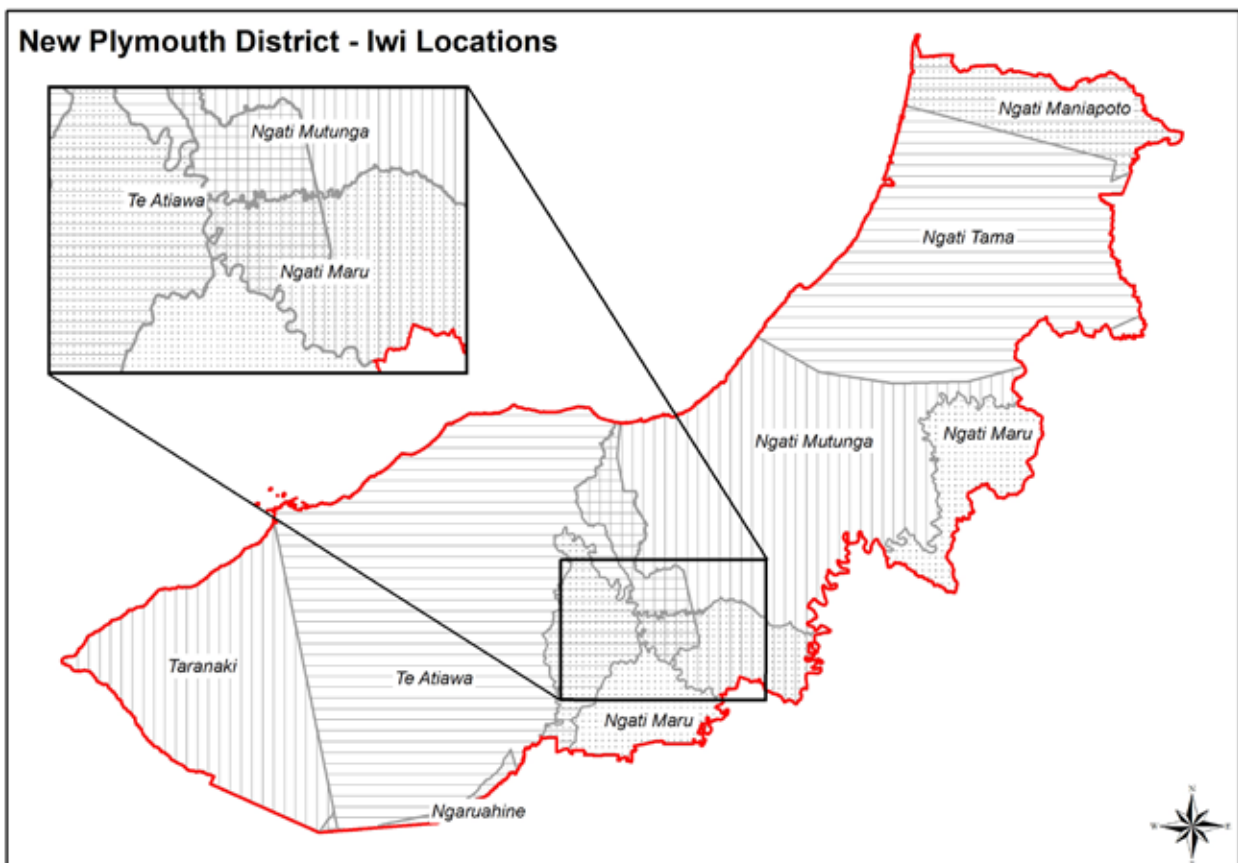
Section 81 of the Local Government Act 2002 requires the Council to outline how it provides opportunities for Māori to participate in Council decision-making. This section explains the current arrangements that the Council has to support this requirement and the additional steps that are needed to progress this objective.

The Council acknowledges the six iwi that are tangata whenua of the district:

- Ngāti Maniapoto.
- Ngāti Maru.
- Ngāti Mutunga.
- Ngāti Tama.
- Taranaki.
- Te Ātiawa.

Hapū or Māori organisations within New Plymouth District:

- Ngā Hapū o Poutama.
- Manukorihi.
- Ngā Mahanga.
- Ngāti Tairi.
- Ngāti Rahiri.
- Ngāti Tawhirikura.
- Ngāti Te Whiti.
- Ngāti Tuparikino.
- Otaraua.
- Pukerangiora.
- Puketapu.





Working Together With Māori

The Council engages with Māori throughout its day to day operations, but also has a number of commitments at a strategic level to support the development of Māori capacity to participate more fully and effectively in the decision-making processes of the Council. However, the Council acknowledges that there are ways in which the Council can improve its relationships with Māori to enable more effective participation in Council operations and processes.

The Council adopted a new strategic framework in November 2014 which was developed in response to feedback received from the Council's Shaping Our Future Together community engagement programme. The strategic vision "*Manaaki • tāngata • whenua • Ngāmotu*" is supported by community outcomes and principles. One of the key principles, "Valuing Te Ao Māori", guides the Council to value the Māori world view during Council decision-making processes.

Staff resources

Many staff work alongside tangata whenua as part of their day to day work.

Underpinning the Council's commitment to the effective engagement of Māori in decision-making is the provision of dedicated staff and other resources to support, advocate on behalf of and guide the Council's interactions with Māori. The purpose of this staff resource is to increase the cultural competency of staff within the Council, foster greater understanding and appreciation of Māori issues and facilitate opportunities for Māori to participate in Council decision-making. Further resource has been made available to increase the ability of Council to include Māori perspectives in all their policy development.

Committees and forums

Participation of Māori in Council decision-making

The Mayor, Deputy Mayor and committee chairs and iwi chairs held a series of hui during 2015 and 2016 resulting in two one-day workshops with an independent facilitator to arrive at a process that would support Māori participation in Council decision-making. This has resulted in the establishment of Te Huinga Taumatua, a joint partnership committee with equal numbers of elected members and iwi members. Terms of reference developed by the Council and iwi guide the way in which the committee will work and outline the areas of delegated authority for the committee.

The Council has a process for appointing tangata whenua representatives to the Council's working parties as required.

Ngā Kaitiaki

The Council is required to review and prepare a District Plan no later than every 10 years. To assist the Council with this process, and to ensure that there is a high level of input from tangata whenua, the Council has established Ngā Kaitiaki consisting of mandated iwi and hapū representatives who are reviewing the District Plan and providing their expertise to ensure the plan incorporates a te ao Māori (Māori world) perspective. To do this, the Council has also resourced an independent planner, chosen by Ngā Kaitiaki, to work with them and provide the technical lens to interpret and translate a Māori world perspective on district planning issues such as urban growth and coastal management. Ngā Kaitiaki have continued their work on the District Plan review during the 2016/17 year.

Waahi Tapu Review

The Council has also been undertaking a waahi tapu and archaeological site review since 2007. The Council established a Waahi Tapu Reference Group consisting of mandated iwi and hapū representatives who are resourced to work alongside Council staff to achieve the aim of the review. During 2016/17, the Council undertook a plan change process to correct the locations of, and add new waahi tapu sites within the rohe of Ngāti Rahiri. This is the first of many plan changes that will occur to meet the aims of the waahi tapu review. The Council is currently finalising waahi tapu sites in the rohe of Ngāti Mutunga, Otaraua, Manukorihi and Ngāti Te Whiti. The project has been very successful so far and recently won the Society of Local Government Managers (SOLGM) Award for Innovation in Policy and Regulatory Development 2017.



Working Together with Māori

Other policies, liaison, agreements or memoranda with Māori

Airport Project

The Council and Puketapu Hapū have been working together on the new airport terminal building. Puketapu have developed a cultural narrative which has helped guide the design of the building. They are continuing to work with the Council and contractors to develop a more detailed design for the internal aspects of the building. The Council has resourced the hapū to participate in this process.

In addition to the design input, the Council purchased the Crown's share of the airport and has established a Council-controlled organisation (CCO) to govern the airport. A board of directors have been appointed by the Council to control the CCO and includes a representative from Te Ātiawa Iwi. Puketapu Hapū had input into the iwi nomination to the board and also chose the name of the airport company, which is Te Papa Rererangi o Puketapu Limited.

Puke Ariki Kaumātua Committee

Kaumātua Kaunihera o ngā Whare Taonga o Puke Ariki was established in 2004. This committee is a group of kaumātua from around Taranaki who advise Puke Ariki on issues pertaining to Māori, the taonga Māori collection and tikanga. Te Kaumātua Kaunihera o ngā Whare Taonga o Puke Ariki is open to all kaumātua of Taranaki and meets monthly.

Puke Ariki collections plan

As part of the Council's Puke Ariki collections plan, Puke Ariki will always endeavour to consult with the appropriate Māori community when a decision is to be made regarding a particular taonga or group of taonga.

Puke Ariki exhibitions

Puke Ariki has a long-term gallery (Takapou Whāriki) specifically telling the story of iwi from around Mount Taranaki. A major on-going project to refresh the long-term galleries has commenced and as stories are developed, iwi will have an opportunity to participate in this process to ensure the content meets their needs.

Engagement with Māori

The Significance and Engagement Policy sets out the Council's commitment to engage with tangata whenua on any issue that is likely to affect them, or on any matter where they have an interest. As part of the Council's operations, engagement is undertaken on a regular basis in the following key (but not exclusive) areas: Long-Term Plan, District Plan, Coastal Strategy, Annual Plan, regulatory and environmental management, roading, heritage, walkways and reserves. Engagement usually takes place in the form of hui with district iwi and hapū or their representatives.

Funding support

The Council recognises that the ability of Māori to take part in the decision-making process is in part constrained by funding, particularly with regards to resource management issues, where access to expert or scientific advice or legal opinion is a costly and complex exercise. In acknowledgment of these costs, some funding is available to support tangata whenua engagement in resource management issues.

Resources are also made available to support marae insurance and maintenance through a Marae Grants Policy and a Built, Cultural and Natural Heritage Protection Fund.

Treaty settlements

Four iwi within New Plymouth District, Ngāti Tama, Ngāti Mutunga, Te Ātiawa, and Taranaki have settled their Treaty of Waitangi claims with the Crown and the legislation to enact these settlements has been passed. Ngāti Maru are very close to completing their settlement process.

The Crown recently informed the Council that Ngāti Maniapoto will be signing their Agreement In Principle. The Council has received a copy of their area of interest which identifies their rohe as far south as Waipingao Stream.

Ngāruahine, a South Taranaki iwi, signed a deed of settlement with the Crown in June 2014. The Ngāruahine area of interest includes some land within New Plymouth District. There is currently a limited relationship between the Council and Ngāruahine.

The settlement legislation highlights certain areas as places where an iwi has a statutory interest and obligates the Council to consider those interests and any opportunities for that iwi to be involved when notifying resource consents in those areas, and to include information about those statutory areas in its District Plan.



Working Together With Māori

Settlement of the treaty claims provides opportunities for meaningful participation of local iwi in all aspects of community decision-making, and the Iwi Liaison Team aims to work with iwi following settlement to develop a memorandum of understanding to guide the relationship.

In addition a Post-Settlement Commitments Unit has been established by the Crown. The unit is developing a database with input from local authorities which will assist the Council in monitoring all legislative requirements as a result of settlements.

Parihaka

The Crown has been working with the Parihaka Papakainga Trust for the last few years to establish a relationship and to discuss ways that the Crown can support Parihaka as a result of the horrific breaches of the Treaty of Waitangi that were dealt out to the people of Parihaka in 1881. The Crown and Parihaka signed a Compact of Trust in 2016 which committed the Crown to find ways to support the building of capacity and capability within Parihaka.

In the last year, the Crown requested the Council identify ways that they could support any relationship agreement that the Crown would have with Parihaka. This agreement included government agencies and the local authorities of South Taranaki District Council, Taranaki Regional Council and New Plymouth District Council. This Council identified a number of areas where it could support the people of Parihaka including marae development, development planning and internships, as well as services from Puke Ariki and Govett-Brewster Art Gallery.

Te Huanga ō Rongo, a relationship agreement between Crown parties, local authorities and Parihaka, was signed on 9 June 2017 and this Council is looking forward to supporting Parihaka through the commitments that have been identified.

Memoranda of Understanding (MoUs)

In June 2009, the Council signed an MoU with Te Runanga o Ngāti Mutunga. The Council is continuing to work with iwi/hapū to explore the opportunities to develop individual memoranda of understanding. The objectives of these MoUs set out the parameters of the relationship and principles of engagement between the iwi/hapū and the Council. This year the Council and Ngāti Mutunga identified two key projects that they wish to progress as part of the MoU and work is currently being undertaken to scope out those projects.

The Council has also agreed to establish MoUs with Ngāti Tawhirikura and Puketapu Hapū.

Iwi Participation Agreements

The government has recently passed amendments to the Resource Management Act. These amendments include a requirement for councils to develop iwi participation agreements with iwi if they request such agreements. The amendments also identify the timeframes that are required to be met by local authorities in developing these agreements. This Council is exploring a collective approach by all local authorities within the region with the eight mandated iwi organisations within Taranaki. The development of these agreements will take place in 2017/18.

Financial Summary

The following pages provide an overview of the Council's and the group's financial performance for the year ended 30 June 2017.

Overall results at a glance

The Council enjoyed a strong financial performance, recording a surplus of \$13.6 million which was considerably higher than the budget surplus of \$7.8m.

The Council had \$6.0m higher revenue and expenditure was on budget.

The main drivers of the higher revenue were:

- Recovered costs from Taranaki Regional Council for improvements to Yarrow Stadium.
- Higher numbers of resource and building consents.
- Higher volumes of trade waste treated.
- Events revenue due to increased venue hire.
- Vested assets.
- PIF performance.

PIF investment

The PIF achieved a 9.48 per cent per annum return and finished the year up \$4.7m to \$274.9m after payment of releases and costs of \$9.3m for the year.

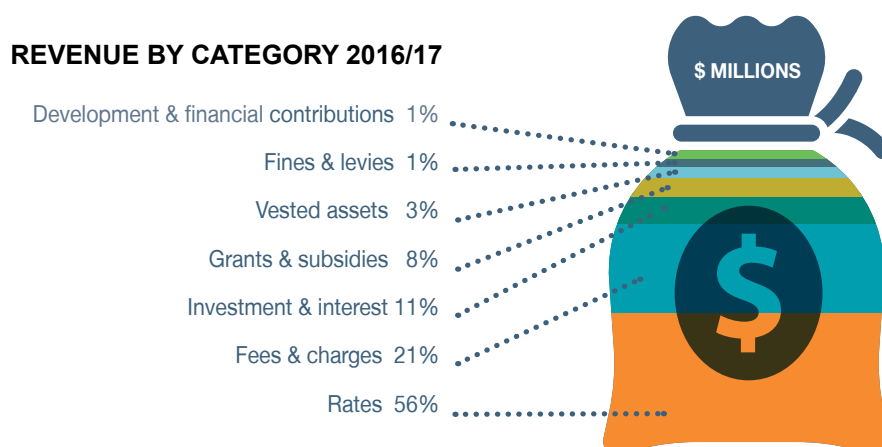
The sale of Tasman Farms Limited was settled on 31 March 2016. The funds from the sale of the farms have been returned during 2017 to the PIF's asset allocation portfolio which is designed to maintain the real capital of the PIF as a sustainable perpetual investment fund.

Since inception the PIF has paid \$196.1m in release payments to the Council and achieved an annual return of 6.55 per cent per annum.

Where the money came from

In 2016/17 rates accounted for 56 per cent of the Council's funding (2016: 49 per cent).

The Council receives income from a variety of sources, including the PIF, capital expenditure funding, fees and user charges. The graph below shows the revenue from these different sources.



Financial Summary

Rates collection

The Council works hard to ensure all rates are collected and accounted for. As in previous years, the Council has achieved an excellent collection record, collecting 99 per cent (2016: 99 per cent) of rates and 76 per cent (2016: 77 per cent) of rates arrears.

Residential median rate

The residential median rate (including GST) increased by 2.98 per cent during the year (2016: increased by 4.84 per cent).

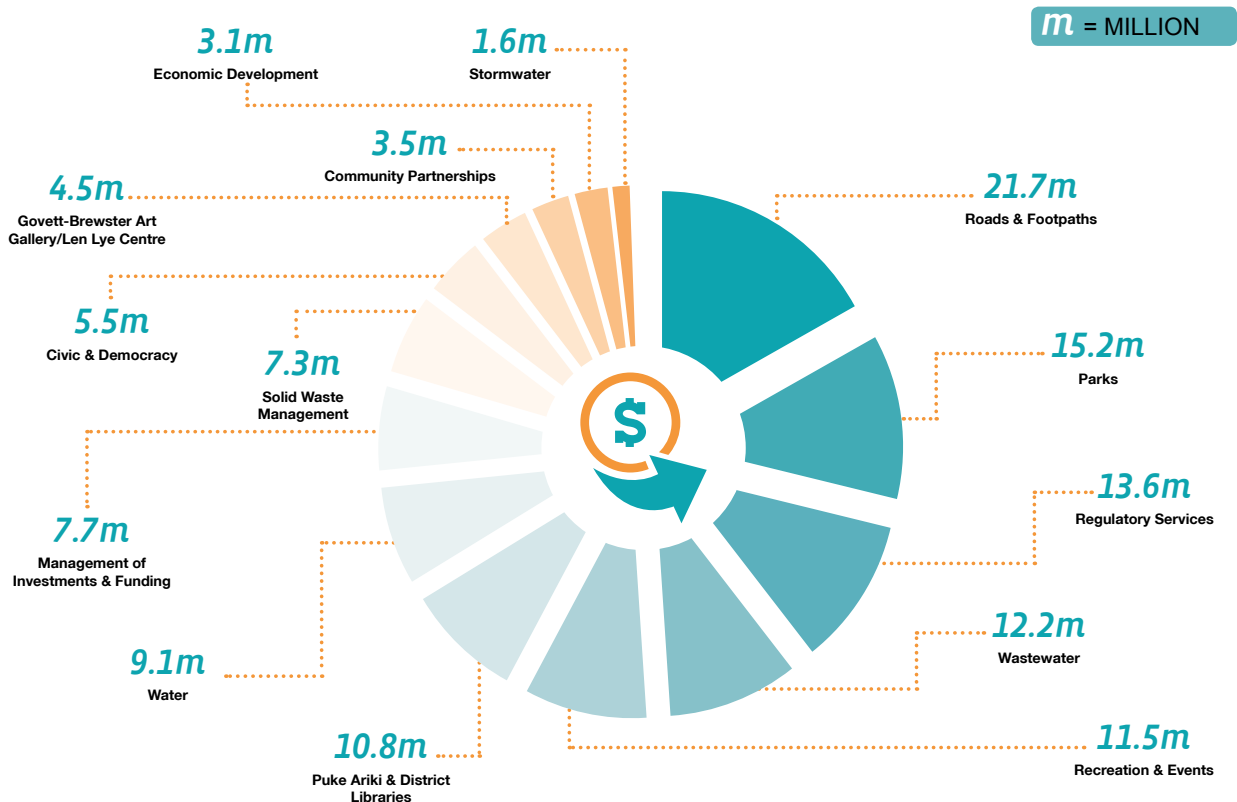
MEDIAN RATE (including GST)



Where the money goes

Operating expenditure of \$130m is as per budget. The graph below shows where the money was spent by Council activity. It excludes the PIF and other costs.

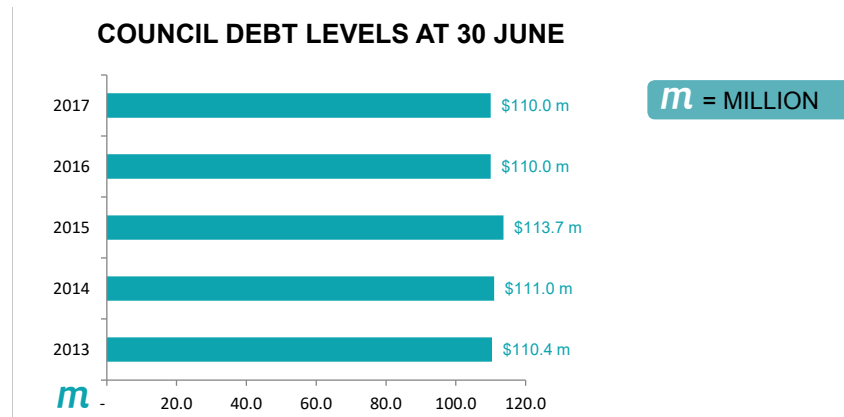
EXPENDITURE BY COUNCIL ACTIVITY 2016/17 (\$)



Financial Summary

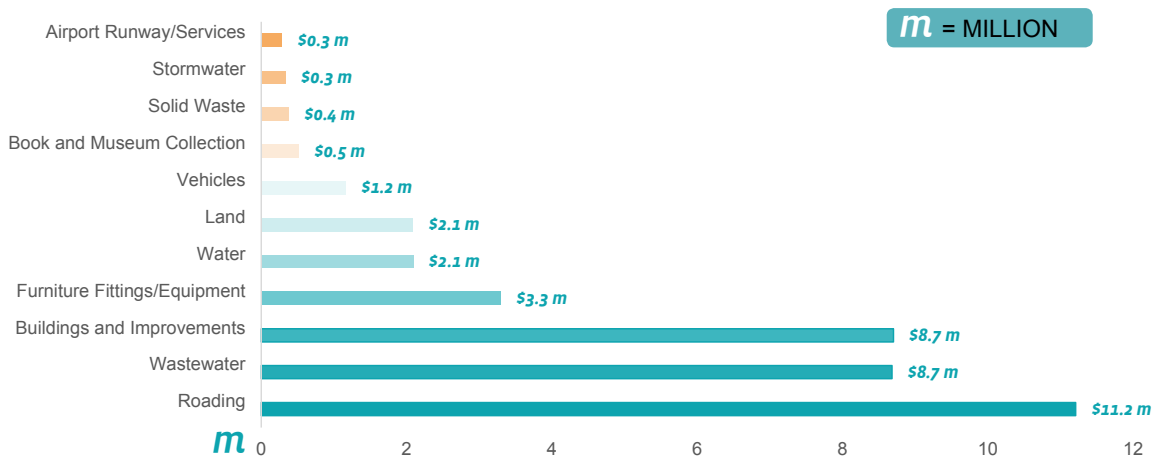
Our liabilities and assets

Our financial position remains strong with the Council's external borrowings remaining at \$110m during the year. The graph below shows the Council's debt levels over the past five years.

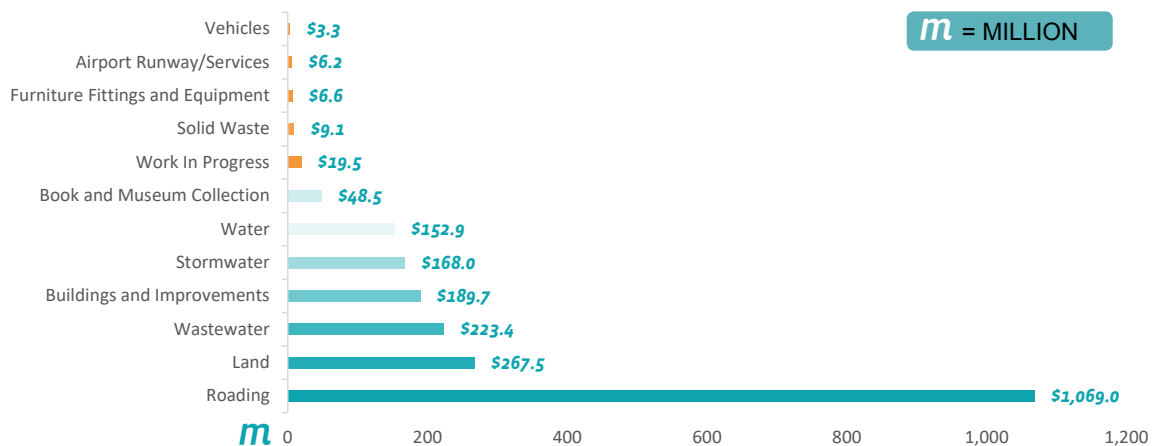


During the year the Council added \$33m of new assets through its renewal and capital works programme. This covered all activities within our district. The graph below shows the breakdown of capital expenditure by category.

ALLOCATION OF CAPITAL WORKS SPEND 2016/17



ALLOCATION OF COUNCIL ASSETS



Financial Summary

Summary Financial Statements

Summary Statement of Comprehensive Revenue and Expense

	Council			Group	
	2016/17 Actual (\$'000)	2016/17 Budget (\$'000)	2015/16 Actual (\$'000)	2016/17 Actual (\$'000)	2015/16 Actual (\$'000)
Operating Revenue (excluding PIF)	130,376	125,780	126,774	132,972	230,186
Perpetual Investment Fund	13,662	12,300	29,500	13,160	7,500
Total operating revenue	144,038	138,080	156,274	146,132	237,686
Operating Expenditure (excluding PIF)	129,007	130,130	132,587	132,071	182,113
Perpetual Investment Fund	1,308	-	5,200	1,309	5,200
Total operating expenditure	130,315	130,130	137,787	133,379	187,313
Surplus/(deficit) before taxation	13,723	7,950	18,487	12,753	50,373
Taxation refund/(expense)	(110)	(120)	(162)	738	(14,772)
SURPLUS/(DEFICIT) AFTER TAXATION FROM CONTINUED OPERATIONS	13,613	7,830	18,325	13,491	35,601
Surplus/(deficit) after taxation from discontinued operations	-	-	-	-	-
SURPLUS/(DEFICIT) AFTER TAXATION	13,613	7,830	18,325	13,491	35,601
Other comprehensive revenue and expense					
Gain/(loss) on property, plant and equipment revaluations	26,213	-	140,629	26,213	140,629
Tax on other comprehensive revenue and expense	-	-	-	-	-
Foreign currency translation	-	-	-	-	(15,444)
Total other comprehensive revenue and expense	26,213	-	140,629	26,213	125,185
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	39,826	7,830	158,954	39,703	160,786

Summary Statement of Financial Position

	Council			Group	
	2016/17 Actual (\$'000)	2016/17 Budget (\$'000)	2015/16 Actual (\$'000)	2016/17 Actual (\$'000)	2015/16 Actual (\$'000)
Current assets	294,148	61,820	63,655	297,861	283,247
Non-current assets	2,219,953	2,441,630	2,417,151	2,217,216	2,228,986
Total assets	2,514,101	2,503,450	2,480,806	2,515,077	2,512,233
Current liabilities	79,832	60,520	62,487	80,465	93,448
Non-current liabilities	59,417	86,870	83,294	59,417	83,294
Total liabilities	139,249	147,390	145,785	139,881	176,742
TOTAL EQUITY/NET ASSETS	2,514,101	2,503,450	2,480,806	2,515,077	2,512,233

Summary Statement of Cash Flows

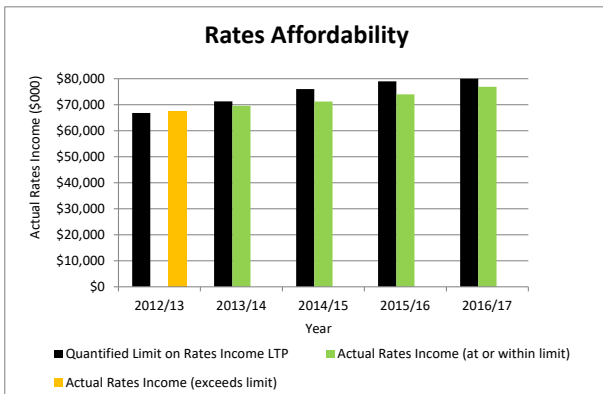
	Council			Group	
	2016/17 Actual (\$'000)	2016/17 Budget (\$'000)	2015/16 Actual (\$'000)	2016/17 Actual (\$'000)	2015/16 Actual (\$'000)
Net cash flows from operating activities	28,431	31,760	27,876	(203)	25,638
Net cash flows from investing activities	(26,208)	(33,700)	(30,769)	(212,471)	272,415
Net cash flows from financing activities	-	3,960	(3,650)	-	(74,296)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,223	2,020	(6,543)	(212,674)	223,757

Benchmarks

The purpose of this benchmarking 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.

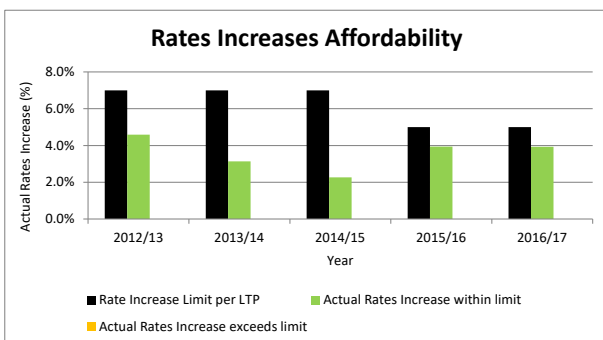
The following graph compares the Council's actual rates income in actual dollars, compared to the quantified limit on rates contained in the Financial Strategy included in the Council's Long-Term Plan.

Actual rates have been below the quantified limit on rates income for the past three years. This is due to ongoing Council efficiencies, thus rate requirements have reduced from what was originally forecast in the LTP 2012-2022 and LTP 2015-2025. Actual dollars in 2012/13 were marginally higher, primarily due to efficient collection.



Our LTP 2015-2025 states that total rate increases should be no more than five per cent in any year. This limit was previously seven per cent (as per chart). There will be significant pressure in the future years on rates due to increasing service levels, growth in the district and a reduced release from the PIF.

The average total rate requirement increase for the last four years has been 3.6 per cent. This is in line with the 10-year average increase in rate requirement of between 3.5 per cent and 3.9 per cent as per the LTP 2015-2025.

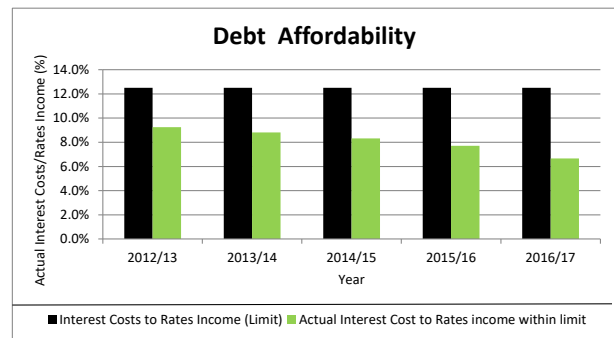


The Council sometimes borrows money to build for infrastructure growth that will service the community today and into the future.

Borrowing reduces the rate burden on today's community and spreads the cost on to the future community as well. This ensures fairness and equity to our current ratepayers.

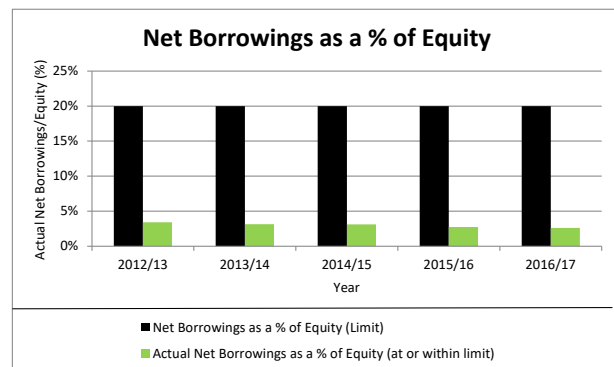
Our LTP states that interest costs on external debt should be less than 12.5 per cent of annual rates revenue.

The Council's external borrowings have remained relatively stable over the last few years, with no significant requirement for further borrowing. Borrowing is less than forecast due to the timing of a number of projects, in particular the growth-related projects in both Bell Block residential zone (Area Q) and Bell Block industrial zone (Area N).



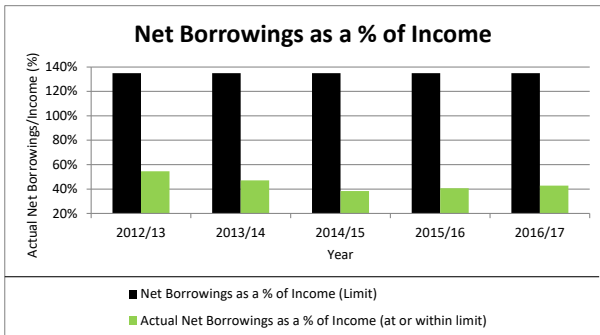
The Council's Treasury Management Policy outlines various limits to which borrowings must be managed within. The following graphs illustrate each of the borrowing limits and Council's actual performance for the past five years.

The graph below shows the Council's net external borrowings as a percentage of equity. Net external borrowings are calculated as total external borrowings less any cash or near cash treasury investments held from time to time. The Council is consistently well within the 20 per cent limit of net external debt to equity.

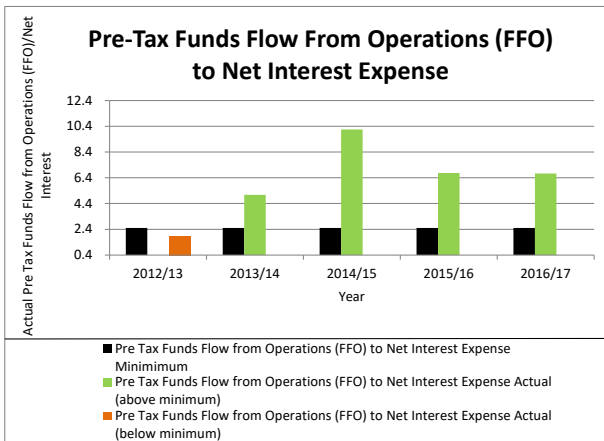


Benchmarks

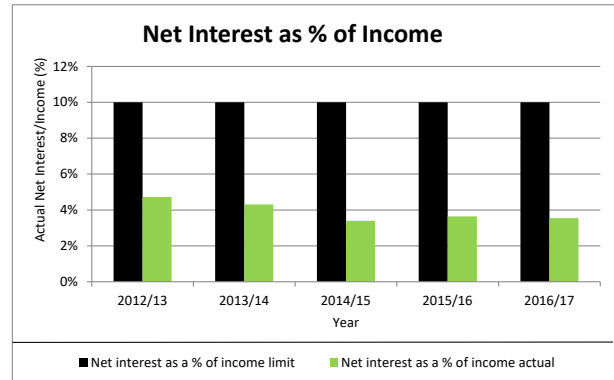
The graph below shows the Council's net external borrowings as a percentage of income. Net external borrowings are calculated as total external borrowings less any cash or near cash treasury investments held from time to time. Total operating revenue has been used as the income figure in this calculation. The Council is consistently well within the below the 135 per cent limit of net external debt to income.



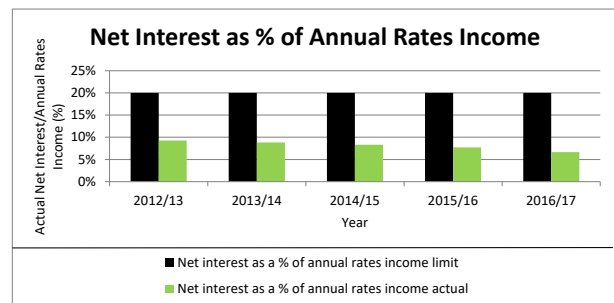
The graph below shows the Council's ratio of pre-tax funds flow from operations (FFO) compared to net interest expense. Pre-tax funds flow is calculated as total revenue, less capital receipts and other non-recurring revenues; less total expenditure net of any capital payments and non recurring expenditure; plus depreciation and increase in provisions.



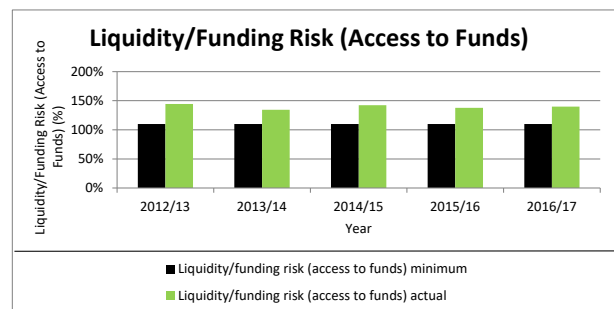
The graph below shows the Council's net interest expense as a percentage of total income. The Council is consistently within the 10 per cent limit of this measure.



The graph below shows the Council's net interest expense as a percentage of total rates income. The Council is consistently within the 20 per cent limit of this measure.



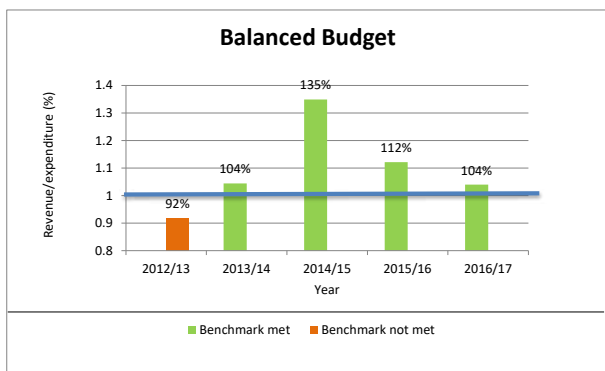
The graph below shows the Council's liquidity (term debt plus committed loan facilities plus cash or cash equivalents) over existing external debt. This measure only commenced in the 2012/13 year hence only four years of comparative information. The Council has consistently greater than the minimum level of liquidity.



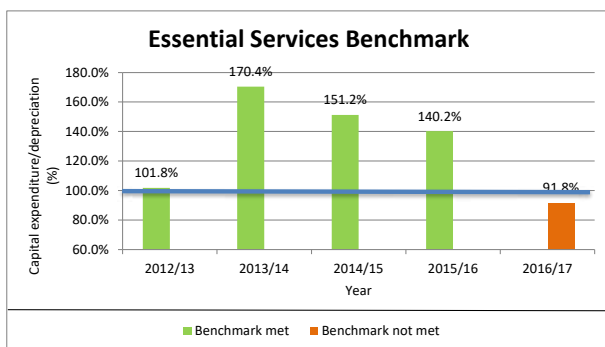
Benchmarks

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 primary reason for the benchmark not being met was the under-performance of the PIF during 2012/13 relative to long-term targets with a deficit of \$4.6m.

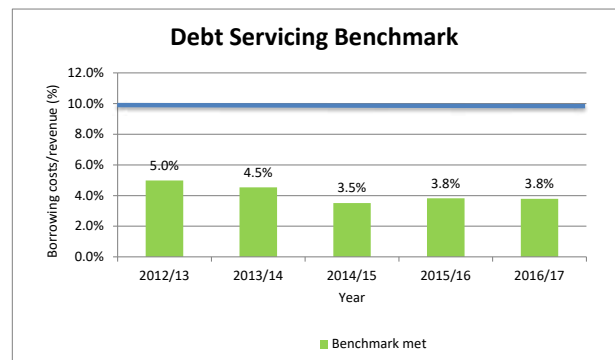


The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services is greater than depreciation on network services.

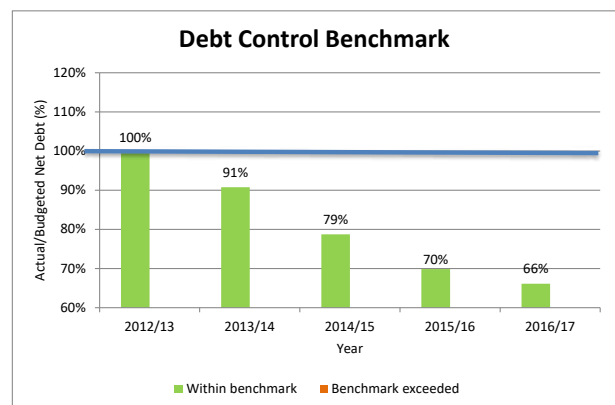


The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative instruments and revaluations of property, plant or equipment).

Because Statistics New Zealand projects the population will grow as fast as the national population growth rate, the Council meets the debt servicing benchmark if its borrowings costs equal or are less than 10 per cent of its revenue.

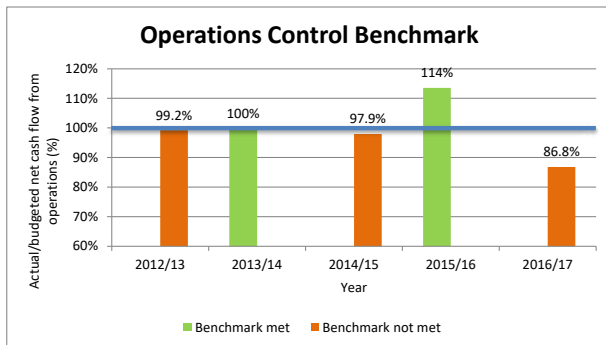


The following graph displays the Council's actual net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Benchmarks

The following 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.







Council Services

Introduction to Council Services	23
Parks and Open Spaces	24
Transportation	27
Stormwater Drainage.....	31
Flood Protection and Control Works.....	33
Solid Waste and Kerbside Collection	35
Water Supply	38
Wastewater Treatment	42
Emergency Management and Business Continuance.....	45
Community Partnerships	47
Govett-Brewster Art Gallery.....	49
Puke Ariki and District Libraries.....	51
Venues and Events.....	54
Regulatory Services	57
Economic Development.....	61
Civic and Democracy Services.....	64
Management of Investments and Funding	66
Funding from External Sponsors	68



Introduction to Council Services

The Council is responsible for providing a wide range of services to the community. It delivers these services through 16 Council activities.

The Council also carries out a number of internal functions, such as financial management and property maintenance, but the costs of these are allocated over the 16 activities above. This is because services such as financial management are 'inputs' into the Council activities whereas the Council activities themselves are services actually received and used by the community.

In the following pages for each of the 16 Council activities you'll find information on what we deliver, why we do it, the significant challenges for the year, the level of service key performance indicator and performance information, and the cost of service statement for the year ended 30 June 2017. Each performance measure is given a rating of either achieved (indicated by a green circle) or not achieved (indicated by a red circle).

A number of performance measures are listed as 'NRB survey'. The Council uses a variety of ways to find out residents' opinions and to communicate Council decisions and programmes. The National Research Bureau (NRB) 'Communitrak' survey is carried out by approximately 30 local authorities throughout New Zealand. It is a means for local authorities to measure the satisfaction of their residents with the services the local authority provides. New Plymouth District Council has been conducting this survey since 1994.

The survey is carried out asking many of the same questions in each local authority. A random sample of 400 people based on the five community areas was used for New Plymouth District. The survey is conducted in a way that provides results which have a margin of error of plus or minus five per cent, giving a 95 per cent level of confidence. This means that if 100 samples were taken, we would expect the margin error to contain the true value in all but five samples. The satisfaction levels indicated include the removal of 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. However, we have also included the satisfaction measure including "don't knows" for transparency.

What we did

While many of the 16 Council activities are driven by legislation, they all contribute to the community outcomes and the Council's strategic direction. The table below identifies the community outcomes to which each Council activity contributes to.

Council Service	Our Economy	Our Environment	Our Community
Parks and Open Spaces	✓	✓	✓
Transportation	✓	✓	
Stormwater Drainage		✓	
Flood Protection and Control Works		✓	
Solid Waste and Kerbside Collection		✓	
Water Supply	✓	✓	
Wastewater Treatment		✓	
Emergency Management and Business Continuance		✓	✓
Community Partnerships		✓	✓
Govett-Brewster Art Gallery	✓		✓
Puke Ariki and District Libraries	✓		✓
Venues and Events	✓	✓	✓
Regulatory Services	✓	✓	
Economic Development	✓	✓	✓
Civic and Democracy Services			✓
Management of Investments and Funding	✓		



Parks and Open Spaces

Responsibility

Manager Parks and Open Spaces

What we deliver

The Council's Parks service provides a group of services which plans, manages and maintains:

- 1,525ha of park and reserve land.
- 82km of walkways, including 12.7km of coastal walkway.
- Forty-seven playgrounds.
- Nine skate park sites.
- Twenty-four sports parks for use by residents and visitors.

This service also manages:

- Fourteen community halls.
- Six camping grounds.
- Fifty-four public toilets.
- Ten operational cemeteries.
- One regional crematorium.
- Brooklands Zoo.
- Public art and monuments.

Why we do it

The Parks service delivers a wide range of community outcomes. Parks supports the Our Community outcome of fostering pride and a collective sense of identity through the provision of sports parks and community halls for community interaction, and a great Taranaki lifestyle through recreation and leisure opportunities. We also build a strong, resilient community that values diversity by allowing for community spaces. Parks bolster the Our Economy outcome of an economy supported by a diverse range of industry by providing opportunities for the tourism sector through camping grounds and leisure and sports parks. Also, through the beautification and maintenance of the district's streetscapes, we provide attractive locations for business in the central city and other business areas, positive experiences for visitors and adding to the quality of life for local residents. Parks is also crucial to the Our Environment outcome of making an environment that is liveable for our communities through providing leisure and recreation opportunities.

The cultural well-being of residents and community groups are supported through the provision and maintenance of community halls.

The Parks service adds to the art and cultural value of the district through the installation and care of public art works, monuments and heritage sites.

Significant challenges during the year

- Delivering projects within timeframes during exceptionally wet summer weather.
- Exceptionally wet summer season affecting groundworks and accelerating vegetation growth.
- Loss of skilled staff to provide assistance to Ministry of Primary Industries with Myrtle Rust investigation.

Parks and Open Spaces

Levels of service and performance information

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Maintain the quality of the district's parks, reserves and open spaces.				
Percentage of community satisfied with the quality of the district's parks and reserves (NRB survey).	95%	●	94% (94% including don't know responses).	96% (95% including don't know responses).
Percentage of community satisfied with the quality of the district's urban landscapes and streets (NRB survey).	95%	●	93% (92% including don't know responses).	93% (92% including don't know responses).
Percentage of community satisfied with the quality of the district's sports parks (NRB survey).	95%	●	97% (83% including don't know responses).	96% (82% including don't know responses).
Percentage of community satisfied with the quality of the district's playgrounds (NRB survey).	95%	●	96% (78% including don't know responses).	93% (79% including don't know responses).
Percentage of visitors satisfied with the quality of the Brooklands Zoo.	90%	●	90% from user satisfaction survey (97% including moderately satisfied).	97% from user satisfaction survey.
Maintain access to open spaces and the natural environment, including rivers, lakes, the mountain and the coast.				
Percentage of community satisfied with access to the natural environment (NRB survey).	95%	●	97% (95% including don't know responses).	98% (96% including don't know responses).
Percentage of households living within 500 metres of a neighbourhood open space.	71%	●	76%.	76%.
Maintain the quality of the district's public toilets.				
Percentage of community satisfied with the quality of the district's public toilets (NRB survey).	70%	●	83% (73% including don't know responses).	80% (67% including don't know responses).
Provide opportunity for community participation in caring for, and engagement with, the district environment e.g. Friends of Pukekura Park, Arbor Day etc.				
Number of volunteer hours per year.	10,000 hours	●	11,000 hours.	6,150 hours. Public planting days did not occur this year.
Major projects are completed on time and within budget.				
Major projects are completed on time.	Annual work programme achieved	●	Two projects not completed this year (Waitara River Boardwalk and Oakura Skatepark).	Annual work programme achieved.
Major projects are completed within budget.	Annual work programme achieved within budget	●	Annual work programme achieved within budget (projects that were completed).	Annual work programme achieved within budget.

Parks and Open Spaces

Cost of Service Statement for the year ended 30 June 2017

The table below provides a summary of net operating costs and capital expenditure.

	Actual 2016/17 \$'000	Adj Budget 2016/17* \$'000	Budget 2016/17 \$'000	Actual 2015/16 \$'000
OPERATIONS				
Activity Expenditure				
Premier parks and foreshore	4,441	4,527	4,527	4,224
Parks and streetscape	7,100	7,598	7,598	7,369
Cemeteries and crematorium	1,389	1,387	1,387	1,298
Sports parks, playgrounds, camping grounds and public halls	1,761	1,662	1,662	1,685
Works for third parties	109	109	109	89
Total activity expenditure ¹	14,800	15,283	15,283	14,665
Activity revenue				
Premier parks and foreshore	(767)	(634)	(634)	(619)
Parks and streetscape	(388)	(291)	(291)	(138)
Cemeteries and crematorium	(819)	(889)	(889)	(895)
Sports parks, playgrounds, camping grounds and public halls	(330)	(291)	(291)	(316)
Works for third parties	(91)	(103)	(103)	(90)
Total activity revenue ²	(2,395)	(2,208)	(2,208)	(2,058)
Net cost of operations	12,405	13,075	13,075	12,607
CAPITAL EXPENDITURE				
Renewals	960	1,504	960	1,475
Service level improvements ³	1,093	1,344	1,305	1,286
Growth ⁴	36	226	126	653
Total capital expenditure	2,089	3,074	2,391	3,414

* The adjusted budget 2016/17 reflects the items carried forward from 2015/16 as approved by the Council.

Budget variations

1. Vacancy savings.
2. Expenses recovered from MPI regarding Myrtle Rust assistance.
3. Projects not yet completed.
4. Purchase of reserves land delayed.

Responsibility

Manager Transportation

What we deliver

The Council's Transportation (formerly known as Roads and Footpaths) service maintains, renews and develops roads, kerbs and channels, bridges, street lighting, footpaths and traffic management for all roads (except state highways) in the district.

This service covers:

- 1,286.7km of roads.
- 267 bridges.
- 8,299 street lights.
- 10,929 traffic signs.
- Five tunnels.

Why we do it

As part of the Our Economy outcome of an economy built on sustainable management of economic resources, we deliver roads and footpaths to provide a public access network to key facilities for industries. Transportation service also delivers on the Our Environment outcome of an environment that is liveable for our community, by providing key linkages and transport routes.

The service enables the effective, efficient and safe movement of people, goods and services around the district.

The Transportation service is also an essential part of sustainable development which enhances the natural and built environments, supports economic development and enriches the cultural and social life of New Plymouth District communities.

Significant challenges during the year

There have been two significant challenges during the year: the summer and autumn weather and the ongoing growth in the district. The weather resulted in some projects dependent on extended spells of warm and dry weather for completion have been delayed as described below. The ongoing growth within the district, particularly of residential properties, has been placing additional traffic on the network and request for associated new infrastructure, e.g. new footpaths, streetlights and seal widening.

Levels of service and performance information

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Provide a safe local roading network for road users.				
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	No reduction	●	3 (see table below).	7 (see table below).
Provide a quality local roading network that is smooth to travel on.				
The average quality of ride on a sealed local road network measured by smooth travel exposure.	87%	●	89%.	90% - target 88%.

	2016/17		2015/16	
	Change	Actual	Change	Actual
Fatalities	-	-	-	-
Serious injury	+3	22	+7	19

Transportation

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Provide an appropriately maintained sealed local roading network.				
The percentage of the sealed local road network that is resurfaced. (Target based on reseal cycle of 16.5 years.)	6%	●	3.8%. Chipseal resurfacing curtailed due to poor weather during summer/autumn. Arrangements in place to complete them in addition to the resurfacing for 2017/18 year.	7%.
Provide a quality footpath network that is safe for users.				
The percentage of footpaths within the district that fall within the level of service or service standard for the condition of footpaths that is set out in the Roding Asset Management Plan. (Target based on current condition ratings.)	95%	●	99%.	97%.
Respond to requests within an acceptable timeframe.				
The percentage of customer service requests relating to roads and footpaths to which the Council responds within the specified timeframe. ¹	95%	●	96.8% based on 4,657 customer service requests.	97% based on 4,600 customer service requests
Provide a quality cycle network that is safe for users.				
Percentage of community (including cyclists) satisfied with the quality and safety of the district's cycle network (NRB survey).	79%	●	88% (71% including don't know responses).	85% (67% including don't know responses) - target 80%.
Provide a quality roading network for users.				
Percentage of community satisfied with the district's quality of roads overall (NRB survey).	83%	●	83% (82% including don't know responses).	83% (82% including don't know responses) - target 84%.
Percentage of community satisfied with the ability to drive around the district quickly, easily and safely (NRB survey).	84%	●	91% (90% including don't know responses).	85% (84% including don't know responses) - target 85%.
Major projects are completed on time and within budget.				

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; 10 days for road surface faults, kerb and channel repairs, new kerb and channel, missing road signs and vegetation clearing. Target based on previous performance measure.

Transportation

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Major projects are completed on time.	Annual work programme achieved	<ul style="list-style-type: none"> ● ● ● ● ● ● ● ● 	<p>Part achieved - installation of 2,160 LED streetlights. Another 1,250 lights have been received ready for installation in 2017/18.</p> <p>Rehabilitation (reconstruction) of two major roundabouts and a section of urban arterial route achieved. Everett and Otaraoa roads rehabilitation projects completed.</p> <p>Dust coat seals contract let but delayed until spring 2017/18.</p> <p>Some resurfacing works delayed to 2017/18 due to poor weather.</p> <p>Bosworth Street work completed as part of Junction Road Reserve funds upgrades.</p> <p>Coronation Avenue walking and cycling project consultation and Council approval complete, construction summer 2017/18.</p> <p>Area Q and Bell Block bypass associated roading improvements, progress on roading planning.</p> <p>Okau Road and Mangatoro large culvert replacements. Installation delayed until dryer weather in 2017.</p>	<p>Part achieved - LED lighting procured but not installed.</p> <p>Achieved - completion of Let's Go projects.</p> <p>Achieved - land purchase for road widening.</p> <p>Part achieved - subdivision contributions. Significant component was related to growth Area Q (Bell Block) and did not proceed as anticipated as it was dependent on commercial activity by others.</p> <p>Not achieved - Bell Block bypass associated roading improvements. Remainder dependent on commercial development by others.</p>

Transportation

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Major projects are completed within budget.	Annual work programme achieved within budget	●	Annual work programme achieved within budget apart from variances mentioned above that will be addressed in 2017/18.	Annual work programme significantly achieved within budget with exception of: <ul style="list-style-type: none"> - Lower spend this year on rehabilitation. Works designed and ready for next year. Additional reseal length achieved within budget. - Part achieved - festive lighting renewals not spent this year. Longer term design and strategy under way to revamp festive and amenity lighting. - Dust coat seals not achieved this year. Sites identified and prioritised.

Cost of Service Statement for the year ended 30 June 2017

The table below provides a summary of net operating costs and capital expenditure.

	Actual 2016/17 \$'000	Adj Budget 2016/17* \$'000	Budget 2016/17 \$'000	Actual 2015/16 \$'000
OPERATIONS				
Activity expenditure ¹	22,063	21,048	21,051	22,132
Activity revenue ²	(9,995)	(10,053)	(9,436)	(10,049)
Net cost of operations	12,068	10,995	11,615	12,083
CAPITAL EXPENDITURE				
Renewals ³	7,797	10,122	8,087	7,884
Service level improvements ⁴	1,942	2,642	1,657	3,186
Growth	508	705	411	525
Total capital expenditure	10,247	13,469	10,155	11,595

* The adjusted budget 2016/17 reflects the items carried forward from 2015/16 as approved by the Council.

Budget variations

1. Additional depreciation from 2016 revaluation (unfunded) and more network response activity.
2. NZTA funding of storm damage capex.
3. Reseals projects underspent, emergency works brought forward.
4. LED streetlights roll out is a five year programme of works, expecting to complete in year four within budget.

Stormwater Drainage

Responsibility

Manager Water and Wastes

What we deliver

The Council's Stormwater Drainage service collects, manages and disposes of stormwater run-off from around 6,600ha of urban area covering New Plymouth, Bell Block, Waitara, Inglewood, Urenui, Onaero, Lepperton, Egmont Village, Oakura and Okato. This includes the operation and maintenance of engineered wetlands and 280km of stormwater pipes.

Why we do it

Stormwater drainage contributes to the Our Environment outcome by managing stormwater run-off in urban areas, which supports the environment through sustainable management and protection of natural resources. The service recognises and plans for future challenges to the environment, e.g. the potential consequences of climate change and increased rainfall on urban environments (such as increased flood risk). Stormwater drainage also promotes an environment that is liveable for our community by reducing the flood risk, enabling residents to continue with their daily lives after a significant rainfall event.

The service protects people and property from the effects of stormwater run-off and localised flooding.

Significant challenges during the year

- Budgeting for the Stormwater Master Plan to identify the solutions to isolated pockets of ponding without compromising areas downstream.
- Completion of Waitara Stormwater Management Plans and identification of capital works.

Levels of service and performance information

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Protection of habitable floor levels from one per cent storm event.				
Number of flooding events that occur each year which result in flooding of a habitable floor.	0	●	No flooding events occurred that resulted in flooding of a habitable floor.	One event on 17 March 2016 resulted in two floors being flooded, one at Govett Avenue and one at Devon St West. We are investigating options for addressing these flooding issues.
For each flooding event report the number of habitable floors flooded per 1,000 connected customers.	1	●	No habitable floors flooded.	0.07 floors flooded per 1,000 connected customers.
Contractor compliance with target response times for maintenance and customer requests.				
Attendance for flooding event call-outs from the time that the local authority receives notification to the time that service personnel reach the site.	Median response time of one hour	●	0.34 hours median response time.	0.38 hours median response time.
We will keep customers satisfied with our stormwater service.				
Percentage of community satisfied with the stormwater service (NRB survey).	80%	●	90% (79% including don't know responses).	91% (78% including don't know responses)

Stormwater Drainage

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
The total number of complaints received about the Council's stormwater service (per 1,000 connected customers).	7	●	3.13 complaints received per 1,000 connected customers.	2.0 complaints received per 1,000 connected customers.
We will manage our stormwater discharges to comply with all resource consents for discharge from our stormwater system.				
Number of abatement notices	0	●	No abatement notices.	No abatement notices.
Number of infringement notices.	0	●	No infringement notices.	No infringement notices.
Number of enforcement orders.	0	●	No enforcement notices.	No enforcement notices.
Number of convictions	0	●	No convictions	No convictions
Major projects are completed on time and within budget.				
Major projects are completed on time.	Achieved	N/A	Not applicable. No major projects in this financial year.	Waitara stormwater completed.
Major projects are completed within budget.	Achieved	N/A	Not applicable. No major projects in this financial year.	Waitara stormwater completed.

Cost of Service Statement for the year ended 30 June 2017

The table below provides a summary of net operating costs and capital expenditure.

	Actual 2016/17 \$'000	Adj Budget 2016/17* \$'000	Budget 2016/17 \$'000	Actual 2015/16 \$'000
OPERATIONS				
Activity expenditure ¹	3,395	2,825	2,825	2,773
Activity revenue	(8)	(10)	(10)	(13)
Net cost of operations	3,387	2,815	2,815	2,760
CAPITAL EXPENDITURE				
Renewals	85	108	108	83
Service level improvements ²	231	51	51	1,010
Growth	16	-	-	31
Total capital expenditure	332	159	159	1,124

* The adjusted budget 2016/17 reflects the items carried forward from 2015/16 as approved by the Council.

Budget variations

1. Additional depreciation from 2016 revaluation.
2. Inglewood stormwater project in response to residences flooding on a regular basis (four to five times per year).

Flood Protection and Control Works

Responsibility

Manager Water and Wastes

What we deliver

The Council's Flood Protection and Control Works service provides flood protection systems to urban areas in New Plymouth District. This includes the maintenance and monitoring of existing flood protection schemes and the planning of future flood protection measures. The impacts of climate change on rainfall patterns will be incorporated into designs of future flood protection assets.

Why we do it

The Flood Protection and Control Works contribute to the Our Environment outcome. These works support the environment through sustainable management and protection of natural resources by limiting flood risks. The service recognises and plans for future challenges arising from climate change and increased rainfall on urban environments (such as increased flood risk). Also, they promote an environment that is liveable for our community by reducing the flood risk, enabling residents to continue with their daily lives after a significant rainfall event.

The service protects people and property from the effects of flooding from rivers and streams in severe storm events (defined as storm events with a one per cent chance of occurring per year).

Significant challenges during the year

Flood protection works operated as required during high rainfall events this year.

Levels of service and performance information

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Flood protection works are maintained.				
Flood protection works are maintained in accordance with the asset management plan and annual works programme.	Achieved	●	Achieved.	Achieved.
Flood protection works are repaired.				
Any damage to flood protection works is repaired following flooding to standards defined in the asset management plan.	Repairs completed within one year	●	Achieved.	Achieved.
Flood protection works are renewed.				
Flood protection works are renewed in accordance with the asset management plan and annual works programme.	Achieved	●	Achieved.	Achieved.
We will keep customers satisfied with our flood protection service.				
Percentage of community satisfied with the flood protection service (NRB survey).	80%	●	93% (76% including don't know responses).	95% (77% including don't know responses).

Flood Protection and Control Works

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
We will complete all major projects on time.				
Major projects are completed on time.	Achieved	N/A	Not applicable. No major projects in this financial year.	Not applicable. No major projects in this financial year.
Major projects are completed within budget.	Achieved	N/A	Not applicable. No major projects in this financial year.	Not applicable. No major projects in this financial year.

Cost of Service Statement for the year ended 30 June 2017

The table below provides a summary of net operating costs and capital expenditure.

	Actual 2016/17 \$'000	Adj Budget 2016/17* \$'000	Budget 2016/17 \$'000	Actual 2015/16 \$'000
OPERATIONS				
Activity expenditure ¹	236	365	365	375
Activity revenue	-	-	-	-
Net cost of operations	236	365	365	375
CAPITAL EXPENDITURE				
Renewals	5	-	-	9
Service level improvements	5	-	-	9
Total capital expenditure	10	-	-	18

* The adjusted budget 2016/17 reflects the items carried forward from 2015/16 as approved by the Council.

Budget variations

1. Dam screen cleaning costs funded from stormwater.

Solid Waste and Kerbside Collection

Responsibility

Manager Water and Wastes

What we deliver

The Council's Solid Waste and Refuse Collection service includes kerbside collection of recycling and refuse from residential households within defined service areas along with the operation of five transfer stations, a materials recovery facility (MRF) and Colson Road Regional Landfill. Our transfer stations handle non-hazardous solid waste and recycling. Our MRF processes recycling from the whole Taranaki region ready for transport to markets for reprocessing. Our landfill disposes of regional waste (from New Plymouth, Stratford and South Taranaki districts) to an environmentally acceptable standard.

We collect around 7,000 tonnes (2016: 8,500 tonnes) of rubbish from more than 27,600 households each year. We also pick up 6,000 tonnes (2016: 5,000 tonnes) of recycling from households, schools and transfer stations. Colson Road Regional Landfill takes approximately 45,000 tonnes (2016: 55,000 tonnes) of waste every year.

We promote waste minimisation across our community. This includes delivering educational programmes to businesses and schools.

Why we do it

The Solid Waste and Refuse Collection service contributes to the Our Environment outcome. It supports the sustainable management and protection of natural resources through promoting recycling activities and disposing of non-recyclable material in a careful manner. The service also creates a liveable environment for our community through avoiding the potential negative impacts of inappropriately disposed of refuse.

The service ensures that household and business solid waste is collected and disposed of without significant environmental and health impacts, while encouraging waste minimisation through better waste management practices.

We aim to effectively turn our waste and refuse collection activity into a reduce, reuse and recycle service to help create more sustainable use of resources and reduce the amount of refuse going to the landfill.

Significant challenges during the year

A draft Waste Management and Minimisation Plan was prepared for consultation. The plan will sets out the planned changes to the solid waste system to enable the Council to reduce the amount of waste disposed of and its adverse effects on the environment.

The new kerbside collection contract and operation of the materials recycle facility has been in operation for the full year. Recycling rates are up significantly on those under the previous collection contract. However we do have issues with contamination of recycling due to people including non-recyclables and general refuse inside their recycling bins.

Levels of service and performance information

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
We will provide a reliable solid waste collection and management service.				
Number of customer notifications of missed collections per 1,000 of serviced properties.	9	●	0.18 customer notifications of missed collections per 1,000 serviced properties.	20 customer notifications of missed collections per 1,000 services properties. Most were during initial roll-out of the new service. In last quarter only 0.4 added to total from previous two quarters).
Compliance with transfer stations advertised opening hours.	95%	●	100%.	100%.

Solid Waste and Kerbside Collection

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
We will keep customers satisfied with our solid waste collection and management service.				
Percentage of community satisfied with the solid waste service (NRB survey).	82%	●	87% (81% including don't know responses).	89% (82% including don't know responses)
Total number of complaints received about the Council's solid waste service (per 1,000 customers).	3	●	1.3 complaints per 1,000 customers.	Three complaints per 1,000 customers.
We will encourage minimisation of waste disposal in our district.				
Percentage of total household waste which is recycled by weight (against 2010/11 baseline).	25%	●	173.5% increase between 2010/11 (17%) and 2016/17 (46.5%).	98% increase between 2010/11 (17%) and 2015/16 (35%).
Year on year percentage reduction in landfill waste generated per household.	1%	●	29% decrease from 2015/16 to 2016/17.	49% decrease from 2014/15 to 2015/16 - target 2%.
We will manage our solid waste service to comply with all resource consents.				
Number of abatement notices received.	0	●	No abatement notices received.	One abatement notice received. Non-compliance with the Colson Road Landfill Management Plan. The Council is building a gas and odour treatment facility at the landfill.
Number of infringement notices received.	0	●	No infringement notices received.	One infringement notice received. Non-compliance with the Colson Road Landfill Management Plan. The Council is building a gas and odour treatment facility at the landfill.
Number of enforcement orders received	0	●	No enforcement orders received.	No enforcement orders received.
Number of convictions received	0	●	No convictions received.	No convictions received.
Major projects are completed on time and within budget.				
Major projects are completed on time.	Achieved	●	The Council adopted revisions to Community Reuse and Recycle Centre (previously known as Public Good Area). Construction moved to 2017.	MRF completed. Public Good Area underway but not complete.
Major projects are completed within budget.	Achieved	●	Currently within or under total project budget for financial year.	Public Good Area underway but not complete.

Solid Waste and Kerbside Collection

Cost of Service Statement for the year ended 30 June 2017

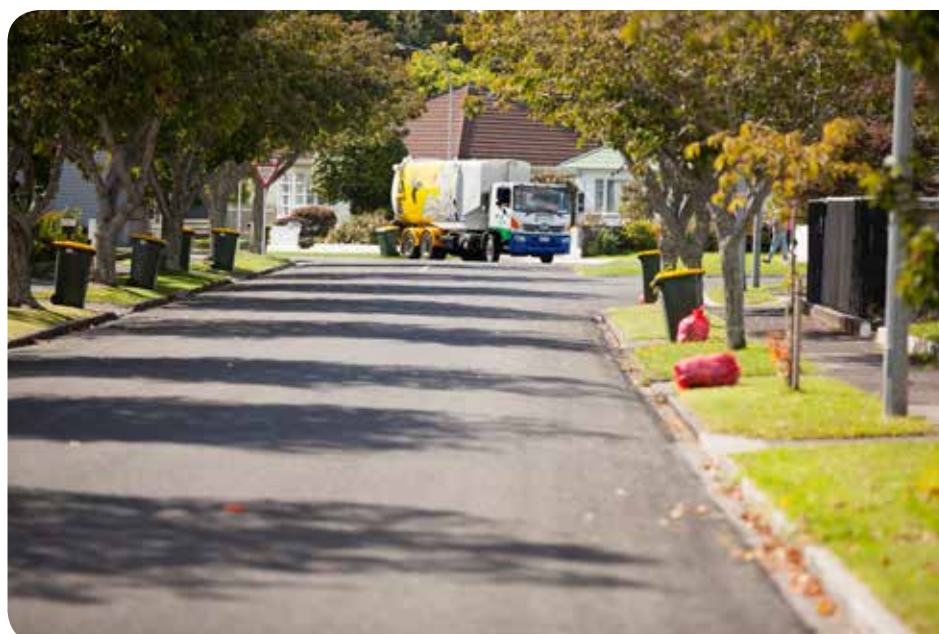
The table below provides a summary of net operating costs and capital expenditure.

	Actual 2016/17 \$'000	Adj Budget 2016/17* \$'000	Budget 2016/17 \$'000	Actual 2015/16 \$'000
OPERATIONS				
Activity Expenditure				
Kerbside collection ¹	2,689	3,900	3,900	2,865
Solid waste disposal ²	5,541	3,244	3,244	3,113
Total activity expenditure	8,230	7,144	7,144	5,978
Activity revenue				
Kerbside collection	(219)	(169)	(169)	(226)
Solid waste disposal	(5,548)	(4,984)	(4,984)	(5,789)
Total activity revenue	(5,767)	(5,153)	(5,153)	(6,015)
Net cost of operations	2,463	1,991	1,991	(37)
CAPITAL EXPENDITURE				
Renewals	377	611	611	56
Service level improvements	-	204	204	3,039
Total capital expenditure ³	377	815	815	3,095

* The adjusted budget 2016/17 reflects the items carried forward from 2015/16 as approved by the Council.

Budget variations

1. Increased recycling leading to savings to landfill gate fees and kerbside collection savings.
2. Landfill includes increased operational costs to meet resource consent requirements.
3. Landfill odour issues project to be completed 2017/18.



Water Supply

Responsibility

Manager Water and Wastes

What we deliver

The Council's Water Supply service supplies water to defined urban and rural water supply areas. The service includes the development, operation and maintenance of groundwater bores, river intakes, treatment plants, storage facilities, pump stations and pipe networks. We supply around 33m litres/day of water to 27,400 households and businesses, all of which are compliant with the New Zealand Drinking Water Standards. We do this through four separate water supplies at New Plymouth (includes Omata, Bell Block, Waitara and Urenui), Inglewood, Ōākura and Okato.

Why we do it

The supply of water supports both the Our Economy and Our Environment outcomes. This service enables an economy built on the sustainable management of economic resources and an environment supported by the sustainable management and protection of natural resources, through the provision of metered water to commercial users and limiting water take during drier periods. Water Supply also supports a diverse range of industry by supplying water critical to business operations. The service recognises and plans for future challenges by developing the water supply for future growth areas and through leak reduction to lower future use requirements. Water Supply also provides for a liveable environment for our community through the provision of clean, safe drinking water.

The service provides all connected properties with a safe, reliable and affordable supply of water, and ensures water is available in urban areas for firefighting.

Significant challenges during the year

- Completion of the Water Master Plan which considers options to address future supply and demand.
- Commencement of regular water conservation measures between 1 January and 30 March each year.
- Full compliance with the New Zealand Drinking Water Standards, despite undertaking a trial of turbidity instruments to replace ageing instrumentation.

Levels of service and performance information

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
We will provide water which complies with the NZ Drinking Water Standards.				
Compliance with Part 4 of the Drinking-water Standards (bacteria compliance criteria).	Full compliance	●	Full compliance.	Full compliance.
Compliance with Part 5 of the Drinking-water Standards (protozoal compliance criteria).	Full compliance	●	Full compliance confirmed by drinking water assessor.	Drinking water assessor has advised of a technical non compliance. They advise this was not about the water being non potable, i.e. it was safe to drink.
Maintenance of the reticulation network.				
Percentage of real water loss from the Council's networked reticulation system. ²	25%	● ●	28.7% of real water loss.	31% of real water loss.

² Water Loss Calculation: The annual volume of water loss is calculated by determining the minimum night flow and subtracting legitimate night usage per property (the difference between these is the estimated volume of water loss per property) then multiplying this by the number of connections multiplied by 365. Minimum night flow is the average flow between 2am and 4am for the lowest 50 hours of the year (from metered treated water supply records) divided by the number of connections. Legitimate night usage per property is assumed to be six litres per property per hour.

Water Supply

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Contractor compliance with target response times for maintenance and customer requests.				
Attendance for urgent call-outs from the time that the Council receives notification to the time that service personnel reach the site.	Median response time of one hour or less	●	0.36 hours median response time.	0.38 hours median response time.
Resolution of urgent call-outs from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	Median restored time of four hours or less for mains < 250 dia	●	1.87 hours median restored time.	1.7 hours median restored time.
Resolution of urgent call-outs from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	Median restored time of eight hours or less for mains > 250 dia	●	No call-outs.	No call-outs.
Attendance for non-urgent call-outs from the time that the Council receives notification to the time that service personnel reach the site.	Median response time of 24 hours or less	●	18.79 hours median response time, including weekends and public holidays.	25 hours median response time, including weekends and public holidays.
Resolution of non-urgent call-outs from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	Median restored time of 48 hours or less	●	26.30 hours median restored time.	44 hours median restored time.
We will keep customers satisfied with our water service.				
Percentage of community satisfied with the water service (NRB survey).	85%	●	91% (82% including don't know responses).	92% (83% including don't know responses).
Total number of complaints received about water clarity (per 1,000 connected customers).	2	●	1.93 complaints per 1,000 connected customers.	Two complaints per 1,000 connected customers.
Total number of complaints received about water taste (per 1,000 connected customers).	1	●	0.54 complaints per 1,000 connected customers.	0.39 complaints per 1,000 connected customers.
The total number of complaints received about water odour (per 1,000 connected customers).	1	●	0.43 complaints per 1,000 connected customers.	0.43 complaints per 1,000 connected customers.
The total number of complaints received about water pressure or flow (per 1,000 connected customers).	2	●	1.93 complaints per 1,000 connected customers.	1.8 complaints per 1,000 connected customers.
The total number of complaints received about water continuity of supply (per 1,000 connected customers).	2	●	2.86 complaints per 1,000 connected customers.	3.5 complaints per 1,000 connected customers.
The total number of complaints received about the Council's response to any of the above issues (per 1,000 connected customers).	1	●	0.11 complaints per 1,000 connected customers.	No complaints

Water Supply

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
We manage demand to minimise the impact on the environment of the water supply.				
The average consumption of drinking water per day per resident within the territorial authority district.	315 litres per day	●	335 litres per day.	329 litres per day.
Number of abatement notices received.	0	●	No abatement notices.	No abatement notices.
Number of infringement notices received.	0	●	No infringement notices.	No infringement notices.
Number of enforcement notices received.	0	●	No enforcement notices.	No enforcement notices.
Number of convictions received.	0	●	No convictions.	No convictions.
Major projects are completed on time and within budget.				
Major projects are completed on time	Achieved	●	Water Master Plan presented to the Council. Okato Water Treatment Plant planning commenced. Oakura trunk main route agreed. Airport trunk main completed.	Okato bore and airport trunk main under way. Ōākura trunk main delay due to easement negotiations.
Major projects are completed within budget.	Achieved	●	Currently within or under total project budget.	Currently within or under total project budget.

Cost of Service Statement for the year ended 30 June 2017

The table below provides a summary of net operating costs and capital expenditure.

	Actual 2016/17 \$'000	Adj Budget 2016/17 *'\$000	Budget 2016/17 \$'000	Actual 2015/16 \$'000
OPERATIONS				
Activity expenditure ¹	10,805	11,853	11,853	10,484
Activity revenue	(3,977)	(4,093)	(4,093)	(4,175)
Net cost of operations	6,828	7,760	7,760	6,309
CAPITAL EXPENDITURE				
Renewals	1,252	1,389	1,244	1,686
Service level improvements ²	791	1,777	37	655
Growth	47	60	-	236
Total capital expenditure	2,090	3,226	1,281	2,577

* The adjusted budget 2016/17 reflects the items carried forward from 2015/16 as approved by the Council.

Budget variations

1. Interest cost saving, chemical dosing savings and sludge disposal.
2. Water main extension to airport project brought forward from 2015/16 and completed. Oakura main duplication project and Okato water supply, carried forward to 2017/18.



Wastewater Treatment

Responsibility

Manager Water and Wastes

What we deliver

The Council's Wastewater Treatment service provides a group of activities which collects, treats and disposes of domestic and industrial wastewater from urban areas of New Plymouth, Bell Block, Waitara, Inglewood and Ōākura. This service includes the operation and maintenance of treatment plants, pump stations and underground pipe networks (sewers). We also monitor the flow of trade waste into the wastewater network. We handle on average 25 million litres of wastewater each day, servicing more than 25,200 properties via 34 pump stations and 704km of sewers.

Why we do it

Wastewater Treatment supports the Our Environment outcome, through the sustainable management and protection of natural resources and a liveable environment for our community by treating potentially hazardous wastewater (both to human health and the natural environment) to make it safe. The service also recognises and plans for future environmental challenges by ensuring the treatment system can accommodate increased volumes of wastewater caused by growth in population and industry.

This service disposes of wastewater in a safe and efficient manner to protect the health of the community and minimise the impact on the environment.

Significant challenges during the year

Stage two of Wai Taatari has continued this year with the installation and commissioning of new screw presses at the New Plymouth Wastewater Treatment Plant. The operation of the plant has continued without disruption to the treatment of wastewater. Improvements made to the Waitara Pump Station have proven very effective with all but the highest of flows being diverted to storage before being pumped back into the reticulation. We had one discharge via the outfall due to high rainfall in April. This discharge was well within our consent limits.

Levels of service and performance information

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
We will limit the number of dry weather overflows from our network.				
Number of dry weather sewerage overflows per 1,000 connections.	1	●	0.60 overflows per 1,000 connections.	0.70 overflows per 1,000 connections.
Contractor compliance with target response times for maintenance and customer requests.				
Attendance for sewerage overflow call-outs from the time that the Council receives notification to the time that service personnel reach the site.	Median response time of one hour	●	0.49 hours median response time.	0.49 hours median response time.
Resolution of sewerage overflow call-outs from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	Median resolution time of four hours for sewers < 250 dia	●	Two hours median resolution time.	Two hours median resolution time.
Resolution of sewerage overflow call-outs from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	Median resolution time of eight hours for sewers >= 250 dia	●	No call-outs.	4.1 hours median resolution time.

Wastewater Treatment

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
We will keep customers satisfied with our wastewater service.				
Percentage of community satisfied with the wastewater service (NRB survey).	88%	●	95% (77% including don't know responses).	93% (80% including don't know responses).
Total number of complaints received about sewerage odour (per 1,000 connected customers).	1	●	0.78 complaints per 1,000 connected customers.	1.1 complaints per 1,000 connected customers. Complaints regarding Mangati Pump Station, a private pump station and reticulation blockages).
Total number of complaints received about sewerage system faults (per 1,000 connected customers).	1	●	0.04 complaints per 1,000 connected customers.	No complaints.
Total number of complaints received about sewerage system blockages (per 1,000 connected customers)	10	●	5.42 complaints per 1,000 connected customers.	6.5 complaints per 1,000 connected customers.
Total number of complaints received about the Council's response to any of the above issues (per 1,000 connected customers).	1	●	0.04 complaints per 1,000 connected customers.	No complaints per 1,000 connected customers.
We will manage our wastewater discharges to comply with all resource consents for discharge from our sewerage system.				
Number of abatement notices.	0	●	No abatement notices received.	One abatement notice - Waitara to New Plymouth pipeline leak.
Number of infringement notices.	0	●	No infringement notices received.	One infringement notice - Waitara Outfall Pump Station.
Number of enforcement orders.	0	●	No enforcement orders received.	No enforcement orders.
Number of convictions	0	●	No convictions	No convictions.
Major projects are completed on time and within budget.				
Major projects are completed on time.	Achieved	●	Wai Taatari on site. Area Q route agreed. Waitara milliscreens completed.	Wai Taatari under way and on track. Waitara milliscreens delayed but now underway. Area Q delayed due to easements.
Major projects are completed within budget.	Achieved	●	Remainder within or under total project budget for financial year.	Currently within or under total project budget.

Wastewater Treatment

Cost of Service Statement for the year ended 30 June 2017

The table below provides a summary of net operating costs and capital expenditure.

	Actual 2016/17 \$'000	Adj Budget 2016/17* \$'000	Budget 2016/17 \$'000	Actual 2015/16 \$'000
OPERATIONS				
Activity expenditure ¹	15,023	17,374	17,374	16,183
Activity revenue ²	(2,345)	(1,911)	(1,911)	(2,001)
Net cost of operations	12,678	15,463	15,463	14,182
CAPITAL EXPENDITURE				
Renewals ³	6,858	8,941	7,113	2,718
Service level improvements	893	1,931	812	632
Growth ³	931	4,910	2,796	367
Total capital expenditure	8,682	15,782	10,721	3,717

* The adjusted budget 2016/17 reflects the items carried forward from 2015/16 as approved by the Council.

Budget variations

1. Lagoon emptying (costs deferred to 2017/18) and interest cost saving.
2. Additional trade waste income.
3. Wastewater Treatment Plant projects and new trunk sewer and pump station for growth area not yet complete, carried forward to 2017/18.



Emergency Management and Business Continuance

Responsibility

Manager Infrastructure Support and Risk Management Lead

What we deliver

New Plymouth District Council plans for and manages major and widespread emergency (civil defence) events. It does this as a member of the Taranaki Civil Defence Emergency Management Group in conjunction with the other Taranaki councils, other agencies and the Taranaki community. The Council also plans for and manages the continuation of its own services for all emergency events, both major and minor. Up until 30 June 2017 the Rural Fire Protection Service was provided by the Taranaki Rural Fire Authority and provided for the risk-reduction, readiness, response and recovery aspect of civil defence and emergency management to create a resilient New Plymouth District. As of 1 July 2017 responsibility for rural fire protection services transferred to Fire Emergency New Zealand (see more on this below).

Why we do it

To reduce the effect of emergency events on the community's quality of life and ensure that Council services are maintained or restored as quickly as possible following such events. Under the Civil Defence Emergency Management Act 2002, the Council is required to take responsibility for the reduction of, readiness for, response to and recovery from risks and events associated with emergency management. This contributes to a strong and resilient community and an environment where future challenges are recognised and planned for.

Significant challenges during the year

On 1 July 2017 responsibility for rural fire protection services transferred to the new national organisation, Fire Emergency New Zealand (FENZ). This transition has been successfully completed on time and without disruption to the service delivered to the community. All personnel and operational assets have been transferred to FENZ. The only remaining outstanding tasks are in relation to winding up the Taranaki Rural Fire Authority body corporate.

Levels of service and performance information

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Planning for and management of emergency events.				
Emergency processes and plans are up to date.	Processes and plans reviewed and updated	●	Achieved, an ongoing task. A tabletop exercise of these plans is scheduled for 20 July 2017.	Achieved, an ongoing task.
Control and extinguish fires in rural areas (except buildings which are the responsibility of the New Zealand Fire Service).				
All reports of uncontrolled or unauthorised rural fires responded to within set timeframes and extinguished by the Council contractors where necessary.	100%	●	100%.	100%.
Trained fire crews are available in all required areas and crew and equipment meet standards of audit.	Full compliance	●	Full compliance.	Full compliance.
Major projects are completed on time and within budget.				
Major projects are completed on time.	Annual work programme achieved	●	Achieved. Transition to FENZ completed on time.	Not applicable. No major projects in this financial year.

Emergency Management and Business Continuance

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Major projects are completed within budget.	Annual work programme achieved within budget	●	Achieved.	Not applicable. No major projects in this financial year.

Cost of Service Statement for the year ended 30 June 2017

The table below provides a summary of net operating costs and capital expenditure.

	Actual 2016/17 \$'000	Adj Budget 2016/17* \$'000	Budget 2016/17 \$'000	Actual 2015/16 \$'000
OPERATIONS				
Activity expenditure ¹	624	517	517	496
Activity revenue	(17)	(1)	(1)	(29)
Net cost of operations	607	516	516	467
Total capital expenditure	-	-	-	-

* The adjusted budget 2016/17 reflects the items carried forward from 2015/16 as approved by the Council.

Budget variations

- Grant paid for rural fire truck.

Community Partnerships

Responsibility

Community Partnerships Lead

What we deliver

The Community Partnerships role (previously called Community Development) is to develop and integrate the Council's community partnership and investment approaches across the Council and community engagement to support democratic local decision-making in line with the Council's Significance and Engagement Policy. This service manages community funding investment schemes and key community partnerships on behalf of the Council. Externally our stakeholders span industry, third sector and not-for-profit groups including, community organisations, charities, educational institutions, iwi and hapū leaders and central and local government agencies.

Why we do it

The service works with community to create partnerships that ensure the community groups are well equipped to make a significant contribution to well-being and quality of life.

Significant challenges during the year

- An ongoing challenge is managing the oversubscribed nature of the community funding rounds.
- This year included the introduction of our new SmartyGrants online grants system. The system is paperless and importantly creates an easier pathway for groups to apply for funding and for officers to administer the funding process.

Levels of service and performance information

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Support the community sector through building and maintaining strategic relationships that increase collaboration on initiatives and build capacity and capability of organisations that contribute to a stronger community.				
Percentage of partners satisfied with advice and involvement in community initiatives.	80%	●	100%.	57%. Reduction due to changes in service level and reporting scale.
Percentage of residents satisfied with Council assistance and support to community groups (NRB survey).	Exceeds peer group average	●	90% (63% including don't know responses) compared to peer group average of 91% (68% including don't know responses).	93% (62% including don't know responses) compared to peer group average of 92% (65% including don't know responses)
Provide a 'start-up' fund that rewards creativity and collaboration in new community initiatives.				
Number of initiatives receiving 'start-up' financial support.	3	●	Four new community initiatives: ZEAL, Taranaki Chamber of Commerce and BARA contract, Accessibility Awards, Creative Incubator.	Three new community initiatives brokered and funded as a start up initiative.
Administer and coordinate the housing for the elderly service.				
Percentage of tenants satisfied with the service.	90%	●	100%.	98%.
Provide funding support for community organisations and initiatives.				
Percentage of achievement of key performance indicators by the Council's grant recipients (as set out in funding contracts).	95%	●	96%.	97%.

Community Partnerships

Cost of Service Statement for the year ended 30 June 2017

The table below provides a summary of net operating costs and capital expenditure.

	Actual 2016/17 \$'000	Adj Budget 2016/17* \$'000	Budget 2016/17 \$'000	Actual 2015/16 \$'000
OPERATIONS				
Activity Expenditure				
Community partnerships	414	574	574	447
Community funding	2,115	2,017	1,887	1,900
Housing for the elderly	916	883	883	885
Total activity expenditure	3,445	3,474	3,344	3,232
Activity revenue				
Community partnerships	0	0	0	0
Community funding	(71)	(58)	(58)	(87)
Housing for the elderly	(967)	(966)	(966)	(938)
Total activity revenue	(1,038)	(1,024)	(1,024)	(1,025)
Net cost of operations	2,407	2,450	2,320	2,207
CAPITAL EXPENDITURE				
Renewals	102	92	92	-
Service level improvements	77	102	102	-
Growth	-	-	-	98
Total capital expenditure	179	194	194	98

* The adjusted budget 2016/17 reflects the items carried forward from 2015/16 as approved by the Council.

Govett-Brewster Art Gallery

Responsibility

Manager Govett-Brewster

What we deliver

The Govett-Brewster Art Gallery is New Zealand's leading contemporary art museum offering a group of activities within its programme of exhibitions and events, including up to three suites of exhibitions, some 900 artworks and 60 education and cultural appreciation events each year. The Govett-Brewster is home to the collection of Taranaki, national and international artworks with a Pacific Rim focus, and the collection and archive of internationally recognised filmmaker and kinetic artist Len Lye (1901 - 1980). The Len Lye Centre opened in mid-2015 and has been developed as an extension to the Govett-Brewster building.

Why we do it

The Govett-Brewster Art Gallery supports the Our Community and Our Economy outcomes. The art gallery contains Taranaki works that foster pride and a collective sense of identity in our community, and the gallery is an integral part of the Taranaki lifestyle. Further, the art gallery generates tourism so helps the economy to be supported by a diverse range of industries.

The activities within this group provide a relevant and accessible art museum for residents and visitors. The Govett-Brewster contributes to quality of life and cultural well-being and raises the national and international profile of New Plymouth District. This attracts domestic and international visitors and helps retain a skilled workforce in the area. It also delivers local arts, culture and events which are central to providing high-quality and diverse cultural and recreational experiences, and encouraging innovation and creativity.

Significant challenges during the year

As visitation exceeded KPI by 16 per cent (and for a second year) extra demand was placed upon the Govett-Brewster Art Gallery and Len Lye Centre's building management system (BMS) and heat ventilation and air conditioning system (HVAC), resulting in higher than budgeted energy usage and cost. Maintenance contracts for the building and plant were also exceeded. An external energy efficiency review was undertaken to reprogram the BMS and HVAC to find efficiencies and by year total energy consumption has decreased by 25 per cent. Equally, exceeding visitation targets impacts upon front-of-house service delivery and staffing and the Govett-Brewster worked to find internal roster and staffing efficiencies to offset demand.

Levels of service and performance information

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Offer engaging exhibitions annually comprising solo and group exhibitions from Taranaki, New Zealand and the world.				
Number of exhibition suites per year.	3	●	Three suites held, with six exhibitions including two Taranaki artist exhibitions and two external touring exhibitions (UK and Australia).	Three suites held, with six exhibitions and one off-site exhibition in the Old Bank.
Offer quality access to the art and ideas of Len Lye.				
Number of Len Lye exhibitions annually.	2	●	Five exhibitions, two film projections and two external touring exhibitions (Israel and Australia).	Four exhibitions and three film projections series held.
Audiences have positive experiences.				

Govett-Brewster Art Gallery

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Total number of visitors (physically) annually.	99,500	●	116,206 visitors. Visitor numbers are based on a combination of a manual count by front of house staff and the true view automated system.	141,922 visitors from opening date 25 July 2015 - target 96,000.
Percentage of resident satisfaction with the service (NRB survey).	Meets or exceeds peer group average	●	69% (52% including don't know responses) compared to peer group average 91% (53% including don't know responses).	69% (48% including don't know responses) compared to peer group average of 91% (49% including don't know responses).
Education programming is nationally recognised as unique and distinctive.				
Percentage of teachers satisfied with school experience.	95%	●	100% satisfied from a return on assessment of 65% of teachers.	100% satisfied from a return on assessment of 45% of teachers.
Major projects are completed on time and within budget.				
Major projects are completed on time.	Annual work programme achieved	●	Not applicable.	Govett-Brewster Art Gallery/Len Lye Centre opened on time - 25 July 2015.
Major projects are completed within budget.	Annual work programme achieved within budget	●	No major projects in this financial year.	Govett-Brewster Art Gallery/Len Lye Centre opened on budget.

Cost of Service Statement for the year ended 30 June 2017

The table below provides a summary of net operating costs and capital expenditure.

	Actual 2016/17 \$'000	Adj Budget 2016/17* \$'000	Budget 2016/17 \$'000	Actual 2015/16 \$'000
OPERATIONS				
Activity expenditure ¹	4,837	4,138	4,018	4,802
Activity revenue	(728)	(696)	(696)	(638)
Net cost of operations	4,109	3,442	3,322	4,164
CAPITAL EXPENDITURE				
Renewals ²	301	185	185	154
Service level improvements ³	78	-	-	524
Total capital expenditure	379	185	185	678

* The adjusted budget 2016/17 reflects the items carried forward from 2015/16 as approved by the Council.

Budget variations

1. Additional depreciation (not funded) and additional personnel costs.
2. Urgent renewals to Trilogy: A Flip & Two Twisters.
3. Additional acquisitions externally funded.

Puke Ariki and District Libraries

Responsibility

Manager Puke Ariki

What we deliver

Puke Ariki is a dynamic people-orientated centre for Taranaki and New Zealand that provides residents and visitors learning opportunities to maximise their potential and capacity. Puke Ariki protects and promotes access to our heritage.

Puke Ariki consists of the following services:

- Central library service (Puke Ariki Library).
- Five community libraries.
- A mobile library bus service.
- Museum exhibition programme.
- Public programmes.
- Discover it! – including a homework centre.
- Taranaki Research Centre.
- i-SITE Visitor Information Centre.
- Care for, collect and promote Taranaki heritage collections.

Why we do it

Puke Ariki and District Libraries support Our Community and Our Economy outcomes. Through its exhibitions, public programmes, care of Taranaki heritage collections and the Taranaki Research Centre, Puke Ariki fosters pride and a collective sense of identity in the community. Puke Ariki and District Libraries are a strong part of the great Taranaki lifestyle. Puke Ariki also promotes the tourism industry, and therefore a diverse range of industries within our economy, through the museum and i-SITE Visitor Information Centre.

Puke Ariki delivers library and museum services which are considered to be core services that local authorities must have particular regard to when performing their role. It also delivers visitor information services.

Significant challenges during the year

Getting external contractors to undertake required work, particularly exhibition componentry, and to complete this on time has been challenging.

Levels of service and performance information

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Provide an accessible and informative point of contact and booking service for visitors to New Plymouth District.				
Number of customer visits to the i-SITE Visitor Information Centre annually.	55,000	●	90,740 customer visits.	85,015 customer visits.
Percentage of customers satisfied with the i-SITE Visitor Information Centre (in-house survey).	95%	●	99% of customers satisfied.	99% of customers satisfied.
Provide an accessible mix of print and digital lending and reference resources to meet the changing needs of the community.				
Percentage of customers who are satisfied with the library collections (in-house surveys).	95%	●	95% of customers satisfied.	94% of customers satisfied.

Puke Ariki and District Libraries

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
To deliver a range of programmes which explore creativity, literacy and our heritage in ways that stimulate learning, innovation and prosperity.				
Number of programmed learning opportunities and number of attendees.	900 programmes 20,000 attendees	●	1,582 programmed learning opportunities at Puke Ariki. This includes 1,042 facilitated school education programmes conducted through Puke Ariki, the Taranaki Research Centre, Discover It and the community libraries, as well as 478 exhibition related events and community events were held. 32,020 attendees to all events.	1,849 programmed learning opportunities at Puke Ariki. This includes 1,260 facilitated school education programmes conducted through Puke Ariki, the Taranaki Research Centre, Discover It and the community libraries, as well as 486 exhibition related events and community events were held. 38,930 attendees to all events.
Percentage of attendees satisfied with the programmed learning opportunities.	95%	●	99% overall for attendees to all events. Teachers gave 100% satisfaction for education programmes.	98% overall for attendees to all events. Teachers gave 100% satisfaction for education programmes.
Number of school students attending Puke Ariki programmes.	14,000	●	20,514 students, includes community libraries.	28,011 students, includes community libraries.
Provide 24/7 access to the Heritage Collection through the Browser.				
Number of heritage items with records improved.	10,000	●	11,623 items catalogued.	39,428 items catalogued. Swainson-Woods project completed. Numbers catalogued reflect this - target 40,000.
Major projects are completed on time and within budget.				
Major projects are completed on time.	Annual work programme achieved	●	A further two major elements completed in the Long Term Galleries (Taranaki Wetlands and Creativity and Innovation). Implementation of RFID at Puke Ariki and the Communities delayed (install occurring October 2017). Replacement carpet on ground and level 1 floor of Puke Ariki Library delayed (install occurring September 2017).	Long Term Gallery refreshment continues with two new major elements completed (Mounga Taranaki and Whakairo rākau), with two more well advanced and forward planning in place. Digitisation of the Swainson/Woods collection is completed with 111,544 images available on line.

Puke Ariki and District Libraries

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Major projects are completed within budget.	Annual work programme achieved within budget	●	Budget on track with staged work of the projects.	Budget on track with staged work of the projects.

Cost of Service Statement for the year ended 30 June 2017

The table below provides a summary of net operating costs and capital expenditure.

	Actual 2016/17 \$'000	Adj Budget 2016/17* \$'000	Budget 2016/17 \$'000	Actual 2015/16 \$'000
OPERATIONS				
Activity expenditure ¹	10,870	11,221	11,221	11,076
Activity revenue	(929)	(839)	(839)	(989)
Net cost of operations	9,941	10,382	10,382	10,087
CAPITAL EXPENDITURE				
Renewals ²	1,251	1,446	1,420	1,339
Service level improvements	350	379	326	494
Total capital expenditure	1,601	1,825	1,746	1,833

* The adjusted budget 2016/17 reflects the items carried forward from 2015/16 as approved by the Council.

Budget variations

1. Vacancy savings and lower direct costs.
2. Building renewals project not yet complete.



Venues and Events

Responsibility

Manager Venues and Events

What we deliver

The Council's Venue and Events (formerly known as Recreation and Events) service provides a group of activities that includes four multi-purpose recreation, sport and entertainment venues: TSB Bowl of Brooklands, TSB Showplace, TSB Stadium and Yarrow Stadium. It provides community events such as the annual TSB Bank Festival of Lights and support for other events such as 2015 Royal visit and Waitangi Day celebrations, and is the host city partner for WOMAD-2014-2016. New Plymouth District Council also provides five swimming pool complexes and learn to swim and fitness programmes.

The Council provides financial support to the Bell Block Community Pool Society Incorporated to fund staffing costs for the Bell Block Community Pool. A total of \$117,500 will be provided to the society by the Council and will be incorporated within the Council's swimming pool budget. This amount includes an allocation previously provided by Community Development.

Why we do it

Venues and Events supports the Our Community outcome through the provision of community events that foster pride and a collective sense of identity. The great Taranaki lifestyle is promoted by providing both community events (such as the TSB Bank Festival of Lights) and event venues. Event venues and community events help to foster a diverse range of industries supporting the Our Economy outcome. Events and venues also provide for the Our Environment outcome by making the district more liveable for our community.

This service provides high-quality and affordable recreation, sport and entertainment opportunities for residents, with the added benefit of attracting visitors to the district.

The Recreation and Events service contributes to the delivery of arts, community and cultural events and special interest initiatives which encourage the community to enjoy the great Taranaki lifestyle and to value diversity. The activities of the service also support the local economy through raising the district's national and international profile and by attracting visitors to the district.

Significant challenges during the year

Attracting major events to the district in the face of competition from other venues such as Spark Arena (Auckland) and Horncastle Arena (Christchurch) and the proposed new 10,000 seat indoor venue in Wellington remains a significant challenge. Meeting customer expectations at the busy Todd Energy Aquatic Centre is being addressed through the potential redevelopment of this facility. Although the inclement summer weather did not result in too much disruption to the events programme, delivering the TSB Bank Festival of Lights proved challenging for the Events Team.

Levels of service and performance information

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Provide high quality community pools which encourage the community to participate in aquatic activities.				
Percentage of residents satisfied with the swimming facilities and staff service (NRB survey).	80%	●	96% (85% including don't know responses).	95% (83% including don't know responses).
Pool patronage per year.	350,000	●	397,185 includes district pools.	413,404 includes district pools.
Provide a range of events which appeal to residents and visitors.				
Percentage of residents satisfied with the events (NRB survey).	95%	●	95% (90% including don't know responses).	95% (90% including don't know responses).
Percentage of residents satisfied with the events venues (NRB survey).	90%	●	98% (95% including don't know responses).	97% (93% including don't know responses).

Venues and Events

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Provide a network of high quality venues that create more opportunities for the community to attend arts, culture and sport and recreation activities.				
Number of attendees and events/ bookings across all venues is maintained or increases where possible.	275,000 attendees 475 events/ bookings	●	326,619 attendees. 1,160 events (total across all venues).	345,343 attendees. 1,041 events (total across all venues).
All venues and pools are managed to a high level of health and safety.				
All required health and safety standards are met.	All standards met	●	All pools Poolsafe accredited.	All pools Poolsafe accredited.
Major projects are completed on time and within budget.				
Major projects are completed on time.	Annual work programme achieved	●	Aquatics projects completed. TSB Showplace renewals 75% complete. TSB Stadium renewals (partitions) completed.	Feasibility design undertaken for TSB Stadium and TSB Showplace renewal project, but works programme behind schedule.
Major projects are completed within budget.	Annual work programme achieved within budget	●	Projects through LTP 2015-2025 on budget.	Projects through LTP 2015-2025 on budget.



Venues and Events

Cost of Service Statement for the year ended 30 June 2017

The table below provides a summary of net operating costs and capital expenditure.

	Actual 2016/17 \$'000	Adj Budget 2016/17* \$'000	Budget 2016/17 \$'000	Actual 2015/16 \$'000
OPERATIONS				
Activity Expenditure				
Pools	4,685	4,699	4,699	4,410
Programmes and events	1,409	1,408	1,408	1,417
Event venues ¹	5,435	5,155	5,133	4,504
Total activity expenditure	11,529	11,262	11,240	10,331
Activity revenue				
Pools	(1,558)	(1,548)	(1,548)	(1,504)
Programmes and events	(415)	(431)	(431)	(474)
Event venues ¹	(2,455)	(1,836)	(1,814)	(1,632)
Total activity revenue	(4,428)	(3,815)	(3,793)	(3,610)
Net cost of operations	7,101	7,447	7,447	6,721
CAPITAL EXPENDITURE				
Renewals ²	1,039	1,424	1,338	539
Service level improvements	167	209	209	40
Growth	-	-	-	-
Total capital expenditure	1,206	1,633	1,547	579

* The adjusted budget 2016/17 reflects the items carried forward from 2015/16 as approved by the Council.

Budget variations

1. Increasing number of events.
2. TSB Stadium renewals project not yet complete.



Responsibility

Manager Customer and Regulatory Services and District Planning Lead

What we deliver

Regulatory Services consists of the following:

- Environmental policy and advice.
- District Plan.
- Building control.
- Land use and subdivision consents.
- Animal control.
- Parking.
- Environmental health.
- Alcohol and food licensing.

This service includes:

- Implementation of policies and statutory plans.
- Processing of consents, licences and registrations.
- Inspection, monitoring and enforcement of legislation and bylaws.
- Reporting and providing information, education and advice on a range of statutory provisions, e.g. Acts, regulations and policy.
- Provision of property and land information.

Why we do it

Regulatory Services supports the Our Economy and Our Environment outcomes through regulating a range of activities under a number of acts. Regulatory Services supports an economy built on the sustainable management of economic resources and an environment support by the sustainable management and protection of natural resources through rationalising the use of resources (such as land and parking). Regulatory Services encourages and builds on innovation and creativity through the safe regulation of activities (such as building controls). The service also promotes a diverse range of industry through the District Plan's controls on land use, enabling business development opportunities. Regulatory Services supports a liveable environment through a range of activities, such as building control, environmental health, parking, animal control and land use consents.

This service plans for the future and contributes to a safe and progressive community that maintains a sustainable living and working environment. The group facilitates development in the district and manages potential conflicts of use.

Significant challenges during the year

- Extensive Resource Management Act Amendment changes required significant changes to forms and procedures for the Consents Team.
- The Animal Control service received funding from central government to offer a programme of free desexing of menacing dogs for the district. The Council has had a good response to this service and it continues through the 2017/18 financial year.
- Building consent applications have remained high resulting in greater than normal work volumes for the team.
- Work is steadily progressing on the District Plan review.

Regulatory Services

Levels of service and performance information

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Ensure that all animal control processes contribute to a safe and healthy community.				
Percentage of known dogs registered.	95%	●	94%.	94%.
Percentage of community satisfied with animal control (NRB survey).	Exceeds peer group average	●	94% (87% including don't know responses) compared to peer group average of 75% (70% including don't know responses).	92% (84% including don't know responses) compared to peer group average of 80% (73% including don't know responses).
Maximise use of on-street car parking space.				
Average rate of occupation of CBD paid parking spaces.	85%	●	55%.	50.6%, excludes the off-street carparks including Devon Street Central car park (beside Kina) and the Lower Courtenay car park (beneath The Warehouse) due to unclear occupancy statistics. A reporting tool is being developed to produce more accurate results going forward.
The health and safety of the public is protected by ensuring food premises meet required standards.				
Percentage of food premises inspected with no remedial steps required.	95%	●	98%.	99%.
Ensure alcohol licensed premises comply with statutory and licence provisions.				
Percentage of alcohol licences that comply with statutory and licence provisions (as a result of inspections, complaints and Controlled Purchase Operations).	95%	●	97%	97%.
Customers are satisfied with building consent service.				
Percentage of customers using building consent processes are satisfied with the service provided.	80%	●	97%.	94%.
Ensure customers are satisfied with access to information on regulatory services.				
Percentage of customers accessing information on regulatory processes are satisfied with the service provided (in-house survey).	80%	N/A	No survey undertaken this year.	No survey undertaken this year.

Regulatory Services

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Ensure customers are satisfied with resource consent services.				
Percentage of customers using resource consent processes are satisfied with the service provided.	80%	●	60% (including neutral responses), very low participant response. Over the last year there has been a focus on improving the quality of consent conditions particularly around outcomes. This year a large piece of work is being carried out that will improve process and will lead the way for introducing the new legislation in October that will result in fast track consenting and other process changes that will simplify customer engagement.	73% (including neutral responses), very low participant response. Introduced stakeholder liaison group being held on quarterly basis to address matters of concern.
Consents are processed within statutory timeframes.				
Percentage of building consent applications processed within statutory timeframes.	100%	●	99.64%. 1,665 building consents granted: 1,659 processed within 20 days and six over 20 days.	95%. 1,803 building consents granted, of which 87 exceeded 20 days (4.8%).
Percentage of all non-notified land use and subdivision consents are processed within statutory timeframes.	100%	●	97.5%. 396 resource consents granted: 387 processed within 20 days and nine over 20 days.	98.2% - eight exceeded timeframe.
The quality of New Plymouth District living environment is being maintained.				
Percentage of community satisfied with living environment (NRB survey).	95%	●	95% (91% including don't know responses).	96% (90% including don't know responses).
Major projects are completed on time and within budget.				
Major projects are completed on time.	Annual work programme achieved	●	Annual work programme achieved.	Annual work programme achieved.
Major projects are completed within budget.	Annual work programme achieved within budget	●	Annual work programme achieved within budget.	Annual work programme achieved within budget.

Regulatory Services

Cost of Service Statement for the year ended 30 June 2017

The table below provides a summary of net operating costs and capital expenditure.

	Actual 2016/17 \$'000	Adj Budget 2016/17* \$'000	Budget 2016/17 \$'000	Actual 2015/16 \$'000
OPERATIONS				
Activity Expenditure				
Animal control	1,151	1,140	1,140	1,008
Building consents ¹	3,362	3,208	3,208	4,411
Environmental strategy and policy ²	1,493	1,383	1,383	1,314
Resource consents	2,865	2,773	2,773	2,775
Environmental health ³	1,229	1,363	1,363	1,097
Parking ³	2,162	2,304	2,304	2,098
Total activity expenditure	12,262	12,171	12,171	12,703
Activity revenue				
Animal control	(906)	(839)	(839)	(864)
Building consents ¹	(2,856)	(2,526)	(2,526)	(3,044)
Environmental strategy and policy	(16)	(17)	(17)	-
Resource consents ¹	(2,416)	(2,088)	(2,088)	(2,255)
Environmental health	(540)	(617)	(617)	(600)
Parking	(3,251)	(3,225)	(3,225)	(3,343)
Total activity revenue	(9,985)	(9,312)	(9,312)	(10,106)
Net cost of operations	2,277	2,859	2,859	2,597
CAPITAL EXPENDITURE				
Renewals	25	182	52	17
Service level improvements	-	41	41	-
Total capital expenditure	25	223	93	17

* The adjusted budget 2016/17 reflects the items carried forward from 2015/16 as approved by the Council.

Budget variations

1. Additional activity.
2. Additional costs re District Plan activity.
3. Vacancy savings.



Economic Development

Responsibility

Group Manager Strategy

What we deliver

The Council contributes to the district's economic development in a number of ways, including through its strategic planning and district plan, the provision of its events, recreation and entertainment facilities, arts and cultural services and the maintenance and construction of roads and infrastructure.

The Council also funds and agrees the strategic direction with Venture Taranaki Trust (VTT), a Council-controlled Organisation responsible for the delivery of the district's economic development services, such as tourism, marketing and major events funding, economic information and business support services.

VTT was founded and is principally owned by the Council. It also offers services via commercial contracts to South Taranaki District Council and Stratford District Council. It has several funding and service partnerships with Taranaki Electricity Trust, TSB Community Trust, New Zealand Trade and Enterprise, Callaghan Innovation, Business Mentors New Zealand and many other private sector organisations.

Why we do it

Economic development is a key ingredient to a strong and resilient economy. Supporting local businesses to be innovative and creative and encouraging a diverse range of industries in the district will improve community resilience and sustainability.

Significant challenges during the year

During the year, development of the Taranaki Regional Economic Development Strategy began. This project brings together the four Taranaki councils, Venture Taranaki, iwi, local business leaders and Central Government to unlock opportunities for a thriving and successful Taranaki. Known as Make Way for Taranaki: Tapuae Roa, the strategy and associated action plan will be launched in late 2017.

Economic Development

Levels of service and performance information

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Promote New Plymouth District and the Taranaki region as a vibrant and desirable place to live, work and visit.				
Attract or retain major events.	3 major events	●	12 events. Events contracted included All Blacks vs Argentina 2017, BDO Around the Mountain Cycle Challenge 2018, Cat Stevens/ Yusuf - A Cats Attic-Peace Train Tour' 2017, ITU New Plymouth Sprint Triathlon World Cup 2017, McDonald's SuperSmash T20 cricket 2016, New Zealand Tattoo and Arts festival 2017, Phoenix vs Sydney Wanderers 2017, Powerco Taranaki Garden Spectacular 2017, PSP NZ Jetsprint Championship – Rounds 1 and 3, Taranaki International Arts Festival 2017, Taranaki Steelformers Around the Mountain Relay 2017, WOMAD 2017.	17 events. Events contracted included Wellington Phoenix vs NZA football game, Taranaki Steelformers Around the Mountain Relay, NZ Tattoo and Art Festivals, BDO Around the Mountain Cycle Challenge, Tropfest, ITU NP Sprint Triathlon World Cup 2016, AmeriCARna, Georgie Pie Super Smash T20 cricket, PSP NZ jetsprint championships, Warriors vs Canberra Raiders NRL, WOMAD, Powerco Taranaki Garden Spectacular.
Facilitate, promote, encourage and support sustainable business growth, investment and employment opportunities in Taranaki.				
Amount of investment into regional businesses per year, subject to central government policy.	\$500,000	●	\$1,515,399 across 36 transactions.	\$1,086,765 across 24 transactions.
Client satisfaction with business support services provided per year.	>80%	●	93.7% satisfied or very satisfied with Venture Taranaki business services.	91.8% satisfied or very satisfied with Venture Taranaki business services.
Level of investment in management capability building per year for Taranaki's Small and Medium Sized Enterprises (businesses).	\$140,000	●	\$376,085 across 276 transactions.	\$326,364 across 235 vouchers.

Economic Development

Cost of Service Statement for the year ended 30 June 2017

The table below provides a summary of net operating costs and capital expenditure.

	Actual 2016/17 \$'000	Adj Budget 2016/17* \$'000	Budget 2016/17 \$'000	Actual 2015/16 \$'000
OPERATIONS				
Activity expenditure	3,095	3,128	2,928	2,815
Activity revenue ¹	(90)	-	-	-
Net cost of operations	3,005	3,128	2,928	2,815
Total capital expenditure	-	-	-	-

* The adjusted budget 2016/17 reflects the items carried forward from 2015/16 as approved by the Council.

Budget variations

1. Contributions towards Regional Economic Development Strategy.



Civic and Democracy Services

Responsibility

Governance Lead

What we deliver

Democratic Services supports the Mayor, Councillors and community board members to be effective, representative and accountable decision-makers. This activity facilitates Council, committee and community board meetings, runs local authority elections and coordinates a range of civic functions.

Why we do it

Elected members are required to represent their communities and make decisions in an open, transparent and accountable manner. This activity supports that decision-making process and ensures decisions are made in accordance with statutory requirements. Robust decision-making processes, aligned with the Council's key strategic principles, will support the community outcomes and enable the Council to fulfill its vision.

Significant challenges during the year

Introduction of digital agenda process for councillors.

Civic and Democracy Services facilitated and helped enable the production of Community Board Plans. Whilst this was achieved within existing budgets, it placed pressure on staff time and resources.

Levels of service and performance information

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Properly manage local elections.				
Elections and polls will comply with the provisions of the Local Electoral Act 2001 with no successful petitions for inquiry into the conduct of elections.	Full compliance	●	Achieved.	No elections.
Compliance with statutory deadlines.				
Long-Term Plan, Annual Plan and Annual Report will all be adopted within timeframes set in the Local Government Act 2002.	Full compliance	●	Achieved.	Achieved.
Meeting agendas will be available as specified by legislation.	Full compliance	●	Achieved.	Achieved.

Civic and Democracy Services

Cost of Service Statement for the year ended 30 June 2017

The table below provides a summary of net operating costs and capital expenditure.

	Actual 2016/17 \$'000	Adj Budget 2016/17 *'\$'000	Budget 2016/17 \$'000	Actual 2015/16 \$'000
OPERATIONS				
Activity expenditure ¹	5,449	5,908	5,908	5,744
Activity revenue	(137)	(143)	(143)	(21)
Net cost of operations	5,312	5,765	5,765	5,723
Total capital expenditure	-	-	-	-

* The adjusted budget 2016/17 reflects the items carried forward from 2015/16 as approved by the Council.

Budget variations

1. Lower District Plan appeal costs, district licensing and professional fees.



Management of Investments and Funding

Responsibility

Chief Financial Officer

What we deliver

This service manages all Council-owned investments, income not assignable to other activities and management of the Council's borrowing requirements. This includes the Council's Perpetual Investment Fund (PIF) (managed by contract with Taranaki Investment Management Limited), a 50 per cent ownership of New Plymouth Airport Joint Venture, administration of 1,500 property leases and agreements, production forestry on Council-owned land, four joint venture forestry investments, and minor equity investments in Civic Assurance Limited and the Local Government Funding Agency.

Why we do it

To protect and develop key funding sources for the Council.

Significant challenges during the year

The key challenge during the year was the transition of the management of the PIF which was moved to a fully outsourced model. The management was moved from Taranaki Investment Management Limited (TIML), a Council-controlled organisation (CCO), to Mercers New Zealand Limited. TIML became New Plymouth PIF Guardians Limited by way of name change in March 2017 and a new board of directors were appointed. They are charged with monitoring the performance of Mercer and ensuring compliance with the new statement of investment performance and objectives (SIPO).

The purchase of the Crown's 50 per cent share of New Plymouth Airport (joint venture) was concluded on 3 July 2017 and the airport operations were transitioned to a new Council-controlled organisation Papa Rererangi i Puketapu Limited.

Internal borrowing

The Council manages all funding and equity as a centralised function, ensuring cash and borrowing resources are used in an optimal manner. There is an element of funding per activity which, at times, is effectively internally borrowed as excess reserve funds are sometimes used instead of borrowing externally.

	Balance as at 1 July \$'000	Borrowings \$'000	Repayments \$'000	Balance as at 30 June \$'000	Interest Expense \$'000
General Rate activities	31,680	4,581	(920)	35,341	(1,562)
Water Supply	26,608	838	(1,518)	25,929	(1,224)
Wastewater Treatment	58,171	1,824	(2,703)	57,292	(2,690)
Solid Waste and Kerbside Collection	589	-	(60)	529	(26)
Total Council borrowing	117,048	7,243	(5,200)	119,092	(5,502)
External borrowing	110,000	-	-	110,000	(5,128)
Net internal borrowing	7,048	7,243	(5,200)	9,092	376

Levels of service and performance information

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Manage the Perpetual Investment Fund (PIF) to provide sustainable revenue flows to the Council.				
A release to the Council before costs of Tasman Investment Management Limited as release rule covers both from the PIF in accordance with the release rule.	\$7.4m	●	\$7.7m.	\$7.34m - target \$7.36m

Management of Investments and Funding

Performance measure	2016/17 Target	Rating	2016/17 Results/Comments	2015/16 Results/Comments
Manage the Council's borrowing programme in compliance with the Liability Management Policy.				
Debt levels and costs within limits set by policy.	All measures met	●	All measures met.	All measures met.
Net debt not to exceed 135 per cent of total revenues including rates.	All measures met	●	All measures met.	All measures met.
Pre-tax funds from operations to exceed net interest expense by at least 2.5 times.	All measures met	●	All measures met.	All measures met.

Cost of Service Statement for the year ended 30 June 2017

The table below provides a summary of net operating costs and capital expenditure.

	Actual 2016/17 \$'000	Adj Budget 2016/17* \$'000	Budget 2016/17 \$'000	Actual 2015/16 \$'000
OPERATIONS				
Activity Expenditure				
Investment management ¹	2,004	1,466	1,466	1,862
Afforestation ²	339	1,393	1,393	1,262
Operational property ³	3,283	1,735	1,735	2,405
Total activity expenditure	5,626	4,594	4,594	5,529
Activity revenue				
Investment management ¹	(42,583)	(10,875)	(10,875)	11,631
Afforestation ²	(309)	(1,541)	(1,541)	2,952
Operational property ³	(4,593)	(2,634)	(2,634)	2,844
Total activity revenue	(47,485)	(15,050)	(15,050)	17,427
Net cost of operations	(41,859)	(10,456)	(10,456)	(11,898)
CAPITAL EXPENDITURE				
Renewals	229	229	229	-
Service level improvements	280	280	280	-
Total capital expenditure	509	509	509	-

* The adjusted budget 2016/17 reflects the items carried forward from 2015/16 as approved by the Council.

Budget variations

1. Additional fees (recovered from TIML). Dividend (\$32m) from Tasmanian Land Company Limited (TLC).
2. Forestry completed early (prior year).
3. Yarrow Stadium works (recovered from Taranaki Regional Council).

Funding from External Sponsors

The Council would like to gratefully acknowledge and thank the following funders.

Funder	Description	Amount
BDO	Cyclist skills programme - sponsorship ended February 2017 (Transportation)	\$10,000
Creative New Zealand	Artist visits and residencies (Govett-Brewster Art Gallery)	\$26,667
Friends of Govett-Brewster Art Gallery/Len Lye Centre	Old Bank project (Govett-Brewster Art Gallery)	\$2,000
Friends of Puke Ariki	Summer reading programme (Puke Ariki)	\$1,500
George Mason Charitable Trust	Summer reading students and scholarship programme (Puke Ariki)	\$35,000
Goethe Institute	Public speaking programme (Govett-Brewster Art Gallery)	\$1,500
Govett-Brewster Foundation	Acquisition of artworks (Govett-Brewster Art Gallery)	\$38,300
Govett Quilliam The Lawyers	Monica Brewster evenings (Govett-Brewster Art Gallery)	\$10,110
Israeli Ministry of Foreign Affairs	Staff travel to Israeli (Govett-Brewster Art Gallery)	\$1,250
Len Lye Centre Trust	Equipment enhancements (Govett-Brewster Art Gallery)	\$82,000
LEOTC (Ministry of Education)	Education programme (Govett-Brewster Art Gallery)	\$44,200
	Funding for the Puke Ariki and Aotea Utanganui Museum education programme (Puke Ariki)	\$60,800
Lion Foundation	Marketing for Bugs! exhibition (Puke Ariki)	\$10,000
	Festival of Lights - sound and lighting (Venues and Events)	\$9,000
Lysaght-Watt	Digitising Opunake Times for Papers Past (Puke Ariki)	\$15,000
Ministry of Business, Innovation and Employment	Curious Minds project (Puke Ariki)	\$11,087
Ministry for Culture and Heritage	Waitangi Day event (Recreation and Events)	\$3,000
Shell Todd Oil Services	'What are you missing?' road safety campaign (Transportation)	\$15,000
Southern Trust	Festival of Lights - security service (Recreation and Events)	\$15,000
Tamarind	Water safety programme (Recreation and Events)	\$43,270
Taranaki Regional Council	Temporary exhibition programme (Bugs!), events programme, Gardens - Four Seasons, Taranaki Theatre Experience (Puke Ariki)	\$125,000
TSB Community Trust	Festival of Lights - on stage programme and provision of regional buses (Venues and Events)	\$110,000
	Waitangi Day event (Venues and Events)	\$5,000
	Community engagement programmes associated with Wellington Phoenix v NZ A, McDonald Super Smash T20 cricket and Central Pulse netball (Venues and Events)	\$47,500
	TSB Showplace; Capital E 2016 (Hinepau 2016), Chamber Music 2016 season, Red Leap Theatre Company – Dust Pilgrim, Under the Same Moon, Chamber Music 2017 programme, Capital E 2017 (Songs of the Sea), My Name is Moana and Taki Rua – Tiki Taane Mahuta (Venues and Events)	\$54,000
	Home work exhibition, subsidised culture education bus (Puke Ariki)	\$59,000



Financial Statements

Financial Statements:

Statement of Comprehensive Revenue and Expense	70
Statement of Financial Position	71
Statement of Changes in Equity	72
Statement of Cash Flows	73

Notes to the Financial Statements:

1. General information	74
2. Basis of Accounting	74
3. Investment revenue	76
4. Other revenue	76
5. Rates	77
6. Subsidies and grants	78
7. Depreciation and amortisation expense	78
8. Other expenses	79
9. Taxation	80
10. Cash and cash equivalents	82
11. Trade and other receivables	83
12. Other financial assets	84
13. Tasmanian Land Company Limited	85
14. Perpetual Investment Fund	85
15. Forestry assets	86
16. Joint ventures	87
17. Property, plant and equipment	88
18. Non-current assets held for sale	95
19. Insurance cover	95
20. Trade and other payables	95
21. Public debt and other loans	96
22. Special funds/reserves	97
23. Retained earnings	98
24. Asset revaluation reserve	99
25. Derivatives	100
26. Statement of cash flows reconciliation	101
27. Financial instruments	102
28. Capital management	109
29. Major budget variations	109
30. Related parties transactions	110
31. Remuneration	111
32. Severance payments	113
33. Commitments	113
34. Contingencies	113
35. Subsequent events	114

Funding Impact Statements	115
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Financial Statements

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2017

	Note	Council			Group	
		2016/17 Actual \$'000	2016/17 Budget \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Operating revenue						
<i>Revenue from exchange transactions:</i>						
Finance revenue		1,674	1,370	1,861	3,297	3,232
Investment revenue	3	13,780	12,300	24,729	13,159	7,213
Other revenue	4	30,302	27,420	32,676	30,077	128,875
<i>Revenue from non-exchange transactions:</i>						
Rates	5	80,292	80,720	77,547	80,292	77,547
Subsidies and grants	6	11,187	10,650	10,945	12,504	12,303
Development and financial contributions		1,235	970	1,071	1,235	1,071
Vested assets	17	4,178	3,000	5,934	4,178	5,934
Fines and levies		1,389	1,650	1,511	1,389	1,511
Total operating revenue		144,038	138,080	156,274	146,132	237,686
Operating expenditure						
Personnel costs		35,838	36,360	33,976	39,066	47,268
Depreciation and amortisation expenses	7	33,018	32,570	31,117	33,124	32,809
Finance costs		5,128	6,100	5,704	5,138	7,872
Other expenses	8	56,331	55,100	66,990	56,050	99,364
Total operating expenditure		130,315	130,130	137,787	133,379	187,313
Surplus/(deficit) before taxation		13,723	7,950	18,487	12,753	50,373
Taxation refund/(expense)	9	(110)	(120)	(162)	738	(14,772)
SURPLUS/(DEFICIT) AFTER TAXATION FROM CONTINUED OPERATIONS		13,613	7,830	18,325	13,490	35,601
Surplus/(deficit) after taxation from discontinued operations						
SURPLUS/(DEFICIT) AFTER TAXATION		13,613	7,830	18,325	13,490	35,601
<i>Comprising surplus/(deficit) attributable to:</i>						
Parent interest		13,613	7,830	18,325	13,490	35,601
Other comprehensive revenue and expense						
Gain/(loss) on property, plant and equipment revaluations		26,213		140,629	26,213	140,629
Foreign currency translation		-	-	-	-	(15,444)
Total other comprehensive revenue and expense		26,213	-	140,629	26,213	125,185
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		39,826	7,830	158,954	39,703	160,786
<i>Total comprehensive revenue and expense attributable to:</i>						
New Plymouth District Council		39,826	7,830	158,954	39,703	160,786

The accompanying notes form part of these financial statements. Explanation of major variances against budget are included in Note 29.

Financial Statements

Statement of Financial Position As at 30 June 2017

	Note	Council			Group	
		2016/17 Actual \$'000	2016/17 Budget \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Current Assets						
Cash and cash equivalents	10	11,715	3,520	9,492	15,187	227,861
Trade and other receivables	11	13,538	17,140	14,309	13,780	15,527
Prepayments		839	-	823	839	827
Inventory		141	100	94	141	94
Intangible assets		618	-	618	618	618
Other financial assets	12	267,147	40,570	36,909	267,147	36,909
Non-current assets held for sale	18	150	490	1,410	150	1,410
Total current assets		294,148	61,820	63,655	297,861	283,247
Non-current assets						
Other financial assets	12	45,970	276,300	91,738	45,983	87,006
Tasmanian Land Company Limited	13	2,989	-	183,796	-	-
Intangible assets		3,442	2,040	3,035	3,477	3,071
Forestry assets	15	3,224	1,970	3,107	3,224	3,107
Derivative financial assets	25	635	1,320	85	635	85
Deferred tax asset	9	5	-	2	5	116
Property, plant and equipment	17	2,163,688	2,160,000	2,135,388	2,163,892	2,135,601
Total non-current assets		2,219,953	2,441,630	2,417,151	2,217,216	2,228,986
TOTAL ASSETS		2,514,101	2,503,450	2,480,806	2,515,077	2,512,233
Current Liabilities						
Trade and other payables	20	11,779	21,160	14,346	12,224	16,545
Revenue in advance		3,624	-	3,090	3,704	3,105
Public debt and other loans	21	60,000	39,310	39,000	60,000	39,000
Employee entitlements		3,288	-	3,439	3,395	3,897
Other provisions		791	-	2,257	791	2,257
Provision for tax		149	-	78	149	28,366
Derivative financial liabilities	25	201	50	277	201	277
Total current liabilities		79,832	60,520	62,487	80,465	93,448
Non-current liabilities						
Employee entitlements		633	950	767	633	767
Deferred tax liability	9	1,281	-	1,420	1,281	1,420
Derivative financial liabilities	27	5,908	1,060	8,583	5,908	8,583
Other provisions		1,595	1,620	1,525	1,595	1,525
Public debt and other loans	21	50,000	83,240	71,000	50,000	71,000
Total non-current liabilities		59,417	86,870	83,294	59,417	83,294
TOTAL LIABILITIES		139,249	147,390	145,785	139,881	176,741
Public equity						
Special funds/reserves	22	85,519	73,030	85,250	85,575	85,306
Retained earnings	23	1,524,480	1,505,700	1,511,131	1,524,771	1,509,845
Currency fluctuation reserve		-	-	-	(4)	1,697
Asset revaluation reserve		764,853	777,330	738,643	764,853	738,643
Total public equity		2,374,852	2,356,060	2,335,024	2,375,196	2,335,491
TOTAL EQUITY AND LIABILITIES		2,514,101	2,503,450	2,480,806	2,515,077	2,512,233

The accompanying notes form part of these financial statements. Explanation of major variances against budget are included in Note 29.

Financial Statements

Statement of Changes in Equity For the year ended 30 June 2017

	Council			Group	
	2016/17 Actual \$'000	2016/17 Budget \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Equity at the beginning of the year	2,335,027	2,308,230	2,176,070	2,335,493	2,176,453
Net surplus/(deficit) from continued operations	13,613	7,830	18,325	13,490	35,601
Other comprehensive revenue and expense	26,213	-	140,629	26,213	125,185
Total comprehensive revenue and expense	39,826	7,830	158,954	39,703	160,786
Equity adjustment					(1,748)
EQUITY AT THE END OF THE YEAR	2,374,853	2,316,060	2,335,024	2,375,196	2,335,491
<i>Total comprehensive revenue and expense attributable to:</i>					
New Plymouth District Council	39,826	7,830	158,954	39,703	160,786
Minority interest in surplus of subsidiary	-	-	-	-	-

The accompanying notes form part of these financial statements. Explanation of major variances against budget are included in Note 29.

Financial Statements

Statement of Cash Flows For the year ended 30 June 2017

	Council			Group	
	2016/17 Actual \$'000	2016/17 Budget \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
	Note				
Cash flows from operating activities					
Receipts from rates revenue		80,193	80,720	77,467	80,193
Interest received		1,552	1,370	1,750	3,175
Dividends received		2,242	7,690	1,157	2,242
Other revenue received		45,644	48,380	49,823	47,959
Payments to suppliers and employees		(95,881)	(99,350)	(96,803)	(100,945)
Goods and services tax (net)		(5)	-	256	(187)
Income tax paid		(190)	(120)	98	(27,507)
Interest paid		(5,124)	(6,930)	(5,872)	(5,134)
Net cash flows from operating activities	26	28,431	31,760	27,876	(203)
Cash flows from investing activities					
Receipts from sale of property, plant and equipment		224	-	1,504	224
Receipts from disposal of business operation		-	-	-	-
Receipts from sale of dairy stock		-	-	-	-
Receipts from sale of other financial assets		43,710	-	38,094	44,195
Purchase of property, plant and equipment		(33,875)	(33,700)	(31,231)	(33,953)
Purchase of dairy stock		-	-	-	-
Purchase of intangible assets		(407)	-	(1,621)	(405)
Purchase of other financial assets		(35,860)	-	(37,515)	(222,533)
Net cash flows from investing activities		(26,208)	(33,700)	(30,769)	(212,471)
Cash flows from financing activities					
Proceeds from borrowings		-	7,900	46,000	-
Repayment of borrowings		-	(3,940)	(49,650)	-
Net cash flows from financing activities		-	3,960	(3,650)	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2,223	2,020	(6,543)	(212,674)
Effects of exchange rate changes on transactions in foreign currencies		-	-	-	-
Cash and cash equivalents at the beginning of the year		9,492	1,500	16,035	227,862
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		11,715	3,520	9,492	15,187

The accompanying notes form part of these financial statements. Explanation of major variances against budget are included in Note 29.



Notes to the Financial Statements

1. General information

New Plymouth District Council (the Council) is a territorial local authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002 (LG(R)A).

The primary objective of the Council is to provide goods or services for the community, for social benefit rather than financial return.

The Council, its subsidiaries and joint ventures (together the Group) are designated as public benefit entities (PBEs) for financial reporting purposes.

The Council's subsidiaries are established and domiciled in New Zealand, except for Tasmanian Land Company Limited and Group which are incorporated and domiciled in Australia.

The financial statements of the Council and Group are for the year ended 30 June 2017. The financial statements were authorised for issue by the Council on 10 October 2017.

Separate financial statements have been prepared for each of the Council-controlled organisations for the year ended 30 June 2017.

2. Basis of Accounting

Basis of preparation

The financial statements of the Council and Group have been prepared in accordance with the requirements of the LGA, LG(R)A and New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards and comply with PBE standards.

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

The financial statements have been prepared on a historical cost basis modified by revaluation of certain assets and liabilities. The financial statements are presented in New Zealand dollars which is the functional currency of the Council and the presentation currency for the Group.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange on the statement of financial position date.

Translation of the Group's functional currency to presentation currency: All foreign operations are independent. The Statement of Comprehensive Revenue and Expense and Statement of Cash Flows of those operations are translated into NZ\$ (the presentation currency) using the spot exchange rate at the date of the transactions. The Statement of Financial Position of those operations are translated at the exchange rate prevailing at the balance date. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in other comprehensive revenue and expense.

The financial statements are prepared on a GST exclusive basis with the exception of receivables and payables, which include GST where GST has been invoiced.

Basis of consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue and expenses on a line-by-line basis. All significant intra-group balances, transactions, revenues and expenses are eliminated on consolidation.

Notes to the Financial Statements

Subsidiaries

The Council consolidates in the Group financial statements all entities where the Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. This power exists where the Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by the Council or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

The Council's investment in the following subsidiaries is carried at cost in the parent entity financial statements:

- New Plymouth PIF Guardians (NPG) - 100 per cent owned and incorporated in New Zealand.
- Venture Taranaki Trust – 100 per cent owned.

The Council's investment in the following subsidiary has been classified as a financial asset at fair value through surplus or deficit:

- Tasmanian Land Company Limited (TLC) – 100 per cent owned and incorporated in Australia.

TLC holds the following interests in other entities:

- Tasman Farms Limited (TFL) – 100 per cent owned and incorporated in New Zealand.
- The Van Diemen's Land Company (VDL) - 1.6 per cent owned and incorporated in the United Kingdom.

Tasman Farms Limited held the remaining 98.4 per cent share of The Van Diemen's Land Company.

The Van Diemen's Land Company had a 100 per cent shareholding in Tasman Farmdale Pty Limited, incorporated in Australia.

TLC through TFL and VDL owned and operated a large scale dairy and pastoral farming business in the north-west of Tasmania. On 31 March 2016, TLC sold its interests in TFL and VDL and as at 30 June 2017 only held cash investments. The Council's investment in TLC is part of the Perpetual Investment Fund.

NPG, Venture Taranaki Trust and TLC are Council-controlled Organisations as defined in the LGA.

Joint venture

A joint venture is a binding arrangement whereby two or more parties are committed to undertake an economic activity that is subject to joint control. For jointly controlled operations, the Council and Group recognises in its financial statements the assets it controls, the liabilities and expenses it incurs and the share of revenue it earns from the joint venture. The Council recognises in its parent entity financial statements its share of the assets, liabilities, revenue and expenditure of the airport joint venture and the four forestry joint ventures based on the proportionate method for accounting for joint ventures.

Borrowing costs

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

Rounding differences

Some rounding difference may occur in the financial statements due to rounding dollars to the \$'000.

Standards issued and not yet effective and not early adopted

The following Accounting Standards, issued or amended which are applicable to the Group (but not yet effective) have not been adopted for the annual report ended 30 June 2017.

Standards and amendments, issued but not yet effective that have not been early adopted, and which are applicable to the Group (but not yet effective) have not been adopted for the Annual Report ended 30 June 2017.

Interests in other entities

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34 - 38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6 - 8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council and Group has not yet assessed the effects of these new standards.

Notes to the Financial Statements

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 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 may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

2. Basis of Accounting (continued)

The Council may apply this standard in preparing its 30 June 2022 financial statements. The Council and Group has not yet assessed the effects of the new standard.

Critical accounting estimates and assumptions

In preparing these financial statements the Council and Group have made estimates and assumptions concerning the future in relation to infrastructure assets. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. Details of the estimates and judgements of infrastructure assets are outlined in Note 17.

Budget figures

The budget figures are those approved by the Council at the beginning of the year in the Annual Plan 2016/17. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council for the preparation of the financial statements.

Comparative figures

Comparative information has been reclassified as appropriate to achieve consistency in disclosure with the current year.

3. Investment revenue

	Council		Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Dividends	33,774	1,157	2,242	1,157
Interest earned	1,137	282	1,137	282
Realised gains on investments	6,172	5,780	6,107	5,774
Unrealised gains on investments	(27,303)	17,510	3,673	-
Total investment revenue	13,780	24,729	13,159	7,213

4. Other revenue

	Council		Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
User fees and charges	13,588	14,938	13,142	14,693
Other revenue	5,705	6,952	5,941	48,879
Regulatory revenue	4,771	5,023	4,771	5,023
Property rent and charges	4,765	4,575	4,750	4,548
Levies and rebates	658	561	658	561
Council venue hire	816	626	816	626
Gain on disposal of business operation (TFL/VDL)	-	-	-	54,544
Total other revenue	30,302	32,676	30,077	128,874

Notes to the Financial Statements

Other revenue is measured at the fair value of the consideration received or receivable. Other revenue is recognised at the time of invoicing, performance of a service or receipt of an application for a service or licence. Levies are recognised when assessments or infringements are issued.

5. Rates

	Council and Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000
General rates	49,784	48,233
Refuse collection - Uniform Annual Charge	3,229	2,257
Sewerage - Uniform Annual Charge	13,246	13,083
Water - Uniform Annual Charge	6,706	6,562
Roading - Uniform Annual Charge	3,626	3,591
Water - targeted metered rates	3,700	3,821
Total rates	80,292	77,547

General rates and uniform annual general charges are recognised when assessments are issued or penalties are incurred. Water by meter rates are recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Rates collected on behalf of Taranaki Regional Council (TRC) are not recognised in the financial statements as the Council is acting as an agent for TRC.

Rates remissions

The Council allows for the rate remissions for community, sporting and similar organisations and on Maori freehold land in terms of the Council's rate remission policies, pursuant to LG(R)A. In 2016/17, the Council allowed remission of \$566,000 (2015/16: \$512,000) excluding GST.

Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

In accordance with the LG(R)A, certain properties are designated as non rateable. The Council does not rate such properties and they are not included in the following remission figures.

	2016/17 \$'000	2015/16 \$'000
Community organisations	408	361
Maori freehold land	24	24
Land protected for natural conservation purposes	134	127
Postponed rates (including GST)	89	81

Rating base information	2016/17*
Projected number of rating units	36,320
Projected total capital value of rating units (\$'m)	16,892
Projected total land value of rating units (\$'m)	8,627

* Actual rates strike figures as at 30 June 2016 on which the 2016/17 rates were based.

Notes to the Financial Statements

6. Subsidies and grants

	Council		Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Operating subsidies and grants	5,410	5,497	6,726	6,855
Capital NZTA - roads	5,242	5,334	5,242	5,334
Capital - other	536	114	536	114
Total subsidies and grants	11,187	10,945	12,504	12,303

New Zealand Transport Agency roading subsidies are recognised as revenue when conditions pertaining to eligible expenditure have been fulfilled. Other grants are recognised as revenue when they become receivable, unless there is an obligation in substance to return the funds if conditions are not met. If there is such an obligation, the grant is initially recorded as revenue in advance, and recognised as revenue when the conditions of the grant are satisfied.

7. Depreciation and amortisation expense

	Council		Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Parks and Open Spaces	2,261	2,450	2,261	2,450
Transportation	11,245	10,266	11,245	10,266
Stormwater Drainage	2,431	1,845	2,431	1,845
Flood Protection and Control Works	116	147	116	147
Solid Waste and Refuse Collection	585	279	585	279
Water Supply	4,120	3,976	4,120	3,976
Wastewater Treatment	5,401	5,472	5,401	5,472
Emergency Management and Business Continuance	-	-	-	-
Community Partnerships	197	292	197	292
Govett-Brewster Art Gallery	462	465	462	465
Puke Ariki and District Libraries	1,914	1,793	1,914	1,793
Venues and Events	1,364	1,290	1,364	1,290
Regulatory Services	273	279	273	279
Economic Development	-	-	-	-
Civic and Democracy Services	-	-	-	-
Management of Investments and Funding	-	-	-	-
Support Services	2,301	2,241	2,301	2,352
Council-controlled Organisations	347	322	454	1,903
Total depreciation and amortisation expense	33,018	31,117	33,124	32,809

Notes to the Financial Statements

8. Other expenses

	Council		Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
General operating expenses	23,922	27,350	26,451	60,169
Direct cost of activities and materials	32,843	32,053	29,477	30,204
Change in provision for doubtful debts	(34)	99	(34)	99
Bad debts	6	-	6	-
Litigation settlements	149	1,525	149	2,335
Audit fees for annual financial statements (Audit NZ)	201	189	320	228
Audit fees for annual financial statements (Ernst & Young)	-	-	-	61
Audit fees for Long Term Plan 2015-2025 (Audit NZ)	-	-	-	-
Audit fees for Debenture Trust Deed (Audit NZ)	4	4	4	4
Computer leases/other operating lease costs	45	58	188	203
Directors fees	-	-	313	356
Net loss on sale of assets	2,161	1,005	2,142	998
Impairment	529	1,510	529	1,510
Net (gain) on forestry assets	(234)	(682)	(234)	(682)
Net (gain) on carbon credits	20	(801)	20	(801)
Net loss on derivatives	(3,280)	4,680	(3,280)	4,680
Total other expenses	56,331	66,990	56,050	99,364

Litigation settlements paid during the 2016/17 year relate to weathertightness claims (refer to note for outstanding claims), 2015/16 refer to weathertightness claims and legal action taken against TIML in relation to the Tasman Farms sale.

Notes to the Financial Statements

9. Taxation

	Council		Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Surplus/(deficit) from continuing operations	13,723	18,487	12,753	50,373
Surplus/(deficit) from discontinued operations	-	-	-	-
Total surplus/(deficit) from operations before income tax	13,723	18,487	12,753	50,373
Tax at 28%	3,842	5,176	3,571	14,104
Non-assessable revenue (net)	(3,732)	(5,014)	(4,309)	668
Total income tax (refund)/expense	110	162	(738)	14,772
Tax expense on continued operations	110	162	(738)	14,772
Tax expense on discontinued operations	-	-	-	-
<i>Represented by:</i>				
Current tax	252	125	(709)	29,392
Deferred tax	(142)	37	(29)	(14,620)
Total income tax refund/(expense)	110	162	(738)	14,772

The Council has unrecognised tax losses available for carry-forward of \$1,204,221 (2016: \$1,271,681).

Income tax is recognised in surplus or deficit except to the extent that it relates to items recognised directly in other comprehensive revenue and expense, in which case the income tax is recognised in other comprehensive revenue and expense.

Current tax is the amount of tax payable based on the taxable surplus for the current year plus any adjustments to tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax asset

	Property, Plant and Equipment \$'000	Other Provisions \$'000	Losses \$'000	Total \$'000
Council				
Balance as at 30 June 2015	-	3	-	3
Charged to surplus/(deficit)	-	113	-	113
Charged to comprehensive revenue and expense	-	-	-	-
Balance as at 30 June 2016	-	116	-	116
Charged to surplus/(deficit)	-	(111)	-	(111)
Charged to comprehensive revenue and expense	-	-	-	-
Balance as at 30 June 2017	-	5	-	5
Group				
Balance as at 30 June 2015	-	3	-	3
Charged to surplus/(deficit)	-	113	-	113
Charged to comprehensive revenue and expense	-	-	-	-
Balance as at 30 June 2016	-	116	-	116
Charged to surplus/(deficit)	-	(111)	-	(111)
Charged to comprehensive revenue and expense	-	-	-	-
Balance as at 30 June 2017	-	5	-	5

Notes to the Financial Statements

Deferred tax liability

	Property, Plant and Equipment \$'000	Other Provisions \$'000	Losses \$'000	Total \$'000
Council				
Balance as at 30 June 2015	(1,142)	-	-	(1,142)
Charged to surplus/(deficit)	(37)	-	-	(37)
Charged to comprehensive revenue and expense	(241)	-	-	(241)
Balance as at 30 June 2016	(1,420)	-	-	(1,420)
Charged to surplus/(deficit)	139	-	-	139
Charged to comprehensive revenue and expense	-	-	-	-
Balance as at 30 June 2017	(1,281)	-	-	(1,281)
Group				
Balance as at 30 June 2015	(4,533)	(12,302)	222	(16,613)
Charged to surplus/(deficit)	3,113	12,302	(222)	15,193
Charged to comprehensive revenue and expense	-	-	-	-
Balance as at 30 June 2016	(1,420)	-	-	(1,420)
Charged to surplus/(deficit)	139	-	-	139
Charged to comprehensive revenue and expense	-	-	-	-
Balance as at 30 June 2017	(1,281)	-	-	(1,281)

Deferred tax is calculated using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

Notes to the Financial Statements

10. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

	Council		Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Cash at bank and on hand	8,715	2,492	12,187	220,862
Term deposits with maturities of less than three months at acquisition	3,000	7,000	3,000	7,000
Total cash and cash equivalents	11,715	9,492	15,187	227,862

The Council holds funds, included in cash and cash equivalents and other financial assets (refer Note 12), of \$43.17m (2016: \$43.48m) that are subject to restrictions. These unspent funds relate to trusts and bequests received (see Note 22), lump sum contributions 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

11. Trade and other receivables

	Council		Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Trade receivables	6,985	7,047	6,978	7,989
Rates	2,437	2,337	2,437	2,337
Accrued revenue	1,829	1,310	1,814	1,568
GST receivable	1,206	1,201	1,367	1,180
Other receivables	1,262	2,622	1,364	2,660
	13,718	14,517	13,960	15,735
Less provision for impairment	(180)	(208)	(180)	(208)
Total trade and other receivables	13,538	14,309	13,780	15,527
<i>Total rates receivable comprise:</i>				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements and fees and charges that are partly subsidised by rates.	3,354	3,767	3,513	3,767
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates.	10,184	10,542	10,267	11,760
The aging profile of receivables at 30 June is detailed below:				
Not past due	9,733	9,942	9,975	11,160
Past due 1 - 30 days	809	662	809	662
Past due 31 - 60 days	489	224	489	224
Past due 61 - 90 days	192	201	192	201
Past due > 90 days	2,315	3,280	2,315	3,280
	13,538	14,309	13,780	15,527

Receivables are recorded at their face value, less any provision for impairments.

Fair value

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms. Therefore, the carrying amount of debtors and other receivables approximates their fair value.

Impairment

The Council does not provide for any impairment on rates receivable as it has various powers under the LG(R)A to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. Ratepayers can apply for payment plan options in special circumstances.

Provision has been made in respect of all other receivables where there is objective evidence that the Council will not be able to collect the amounts as per the original terms of the receivables.

Notes to the Financial Statements

12. Other financial assets

	Council		Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
	Note			
Current assets				
New Plymouth Airport Joint Venture loan	68	68	68	68
Bonds, shares and other investments (PIF)	231,044	250	231,044	250
Term deposits	36,034	36,591	36,034	36,591
Total current other financial assets	267,147	36,909	267,147	36,909
Non-current assets				
Mortgages/other loans	1,362	1,241	1,362	1,241
Bonds	-	600	-	600
Term deposits	607	480	607	480
Local authority stock	976	996	976	996
NZ Local Government Corp	504	504	504	504
New Plymouth Airport Joint Venture loan	1,088	1,506	1,088	1,506
Bonds, shares and other investments (PIF)	44,422	270,207	41,446	81,679
Less: Tasmanian Land Company Limited	(2,989)	(183,796)	-	-
Total non-current other financial assets	45,970	91,738	45,983	87,006
Total other financial assets	313,117	128,647	313,130	123,915

New Plymouth Airport Joint Venture loan

The carrying amount the loan to the New Plymouth Airport Joint Venture is \$1.956m (2016: \$1.570m). The carrying amount represents the Crown's share of the loan and approximates its fair value. The Council's share of the loan has been eliminated on consolidation.

Mortgages/other loans

Mortgages held represent specific funds held in special reserves. Interest earned on mortgages is allocated to the relevant special reserves and used for the specified purpose.

Other loans are to ratepayers for the home insulation scheme administered by the Council. The carrying value of other loans is \$1.05m (2016: \$0.91m). The carrying value of mortgages and other loans approximates its fair value.

New Plymouth Airport Joint Venture loan, term deposits and mortgages/other loans are categorised as loans and receivable financial assets. After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit.

Local Authority Stock/NZ LGFA

These represent Council's shares in the New Zealand Government Funding Agency (LGFA). The Council also has uncalled capital equal to the individual shareholding, which can be called in the event that an imminent default is identified. These investments are measured at fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. The investments are assessed for impairment at each balance date. A significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit. The carrying value of the Council's shareholding in LGFA is \$1.1m (2016: \$1.0m) which approximates their fair value.

Notes to the Financial Statements

13. Tasmanian Land Company Limited

	2016/17	2015/16
New Plymouth District Council	88,459,358	88,459,358
Tasmanian Land Company Limited shares on issue at 30 June	88,439,358	88,439,358
Percentage of shareholding	1	1
Value of shareholding (\$,000's)	2,989	183,796

The Tasmanian Land Company Limited (TLC) was incorporated on 5 August 2014.

In April 2015, TLC acquired all the shares in TFL. The transaction was a business restructure between entities under the control of the Council and was accounted for as a continuation of the existing TFL Group.

The operations of TLC group were sold in March 2016. As at 30 June 2017, TLC remained a Council-controlled organisation and held the cash from the sale of the TLC subsidiaries.

During 2016/17 the majority of the cash has been transferred to Mercer, who now manage the PIF investment fund.

14. Perpetual Investment Fund

	Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000
	Note	
Opening balance	270,207	253,275
<i>Revenue and gains:</i>		
Interest	1,137	282
Dividends	2,242	1,157
Other revenue		4,732
Currency gains	4,262	99
Realised gains on disposals	1,910	5,680
Unrealised gains	4,111	17,510
Total revenue and gains	13,662	29,460
<i>Expenses and losses:</i>		
Direct expenses	(27)	150
Total expenses and losses	(27)	150
Net surplus/(deficit) for the year	13,689	29,310
<i>Transfers in/(out) of the fund:</i>		
Reimbursement of costs to the Council	(1,336)	(5,041)
Release to the Council (including interest)	(7,694)	(7,337)
Total transfers in/(out) of the fund	(9,029)	(12,378)
Net change in PIF investment	4,660	16,932
Closing balance	12	274,867
<i>Portfolio asset allocation:</i>		
Alternative assets	49,239	219,044
Private equity	24,285	34,273
Developed market global equities	129,543	-
Emerging markets	14,170	-
Fixed revenue	33,492	2,982
Cash	24,139	13,908
	274,867	270,207

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.

15. Forestry assets

Notes to the Financial Statements

	Council and Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000
Balance as at 1 July	3,107	3,346
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	225	734
Decrease due to harvest	(117)	(965)
Other changes	9	(8)
Balance as at 30 June	3,224	3,107

The Council owns 238.5ha (2016: 232.0ha) of pinus radiata forest which are at varying stages of maturity ranging from one to 40 years. In addition, the Council is involved in four joint ventures comprising 97.6ha (2016: 101.9ha) at varying stages of maturity ranging from 16 to 30 years. Refer to note 16 for details of the Council's investment in the joint ventures.

Valuation assumptions

Independent registered valuers PF Olsen Limited, have valued forestry assets as at 30 June 2017. The following significant assumptions have been adopted in determining the fair value of forestry assets:

- A post-tax discount rate of 6.5 per cent (2016: 6.5 per cent) has been used in discounting the present value of expected cash flows.
- Notional land rental costs have been included for freehold land in respect to the joint ventures only.
- The forest has been valued on a going-concern basis and only includes the value of the existing crops on a single rotation basis less point of sale costs estimated at 2.0 per cent (2016: 2.0 per cent).
- No allowance for inflation has been provided.
- Costs are current average costs. No allowance has been made for cost improvements in future operations.
- Log prices are based on a three-year historical rolling average.

Any gains or losses on revaluation, including impairment, are recognised in the Statement of Comprehensive Revenue and Expense. The costs to maintain the forestry assets are recognised in the Statement of Comprehensive Revenue and Expense.

The Council is exposed to financial risks arising from changes in timber prices. 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

16. Joint ventures

The Council is involved in four joint venture agreements which are Council-controlled organisations.

As at 30 June 2017, the Council is involved in three forestry joint venture agreements:

1. Tarata Ngatimaru Pukehou Joint Venture (60 per cent).
2. Duthie Joint Venture (54.8 per cent).
3. McKay Joint Venture (56.5 per cent).

During the year, the Oakura Farms Limited Joint Venture (of which Council had 60 per cent ownership), was ceased once harvesting was completed.

The Council's interest in these joint ventures is included in forestry assets (refer to Note 15). Of the total forestry assets, \$0.65m (2016: \$0.75m) represent the Council and Group's interest in joint venture assets.

The Council and Group's share of the surplus/(deficit) in the forestry joint ventures is \$0m (2015: \$0.42m)

New Plymouth Airport

The ownership and operation of New Plymouth Airport is undertaken as a joint venture between the New Zealand Government (50 per cent) and the Council (50 per cent).

The Crown has agreed to sell its 50 per cent share in New Plymouth Airport for \$3.25m on 1 July 2017, for which the Council will receive \$5.03m of net assets.

New Plymouth Airport land (\$14.138m) will vest to the Council on 1 July 2017.

The Council's interest in the joint venture is disclosed in the financial statements under the classifications shown below:

	Council and Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000
<i>Property, plant and equipment:</i>		
Land (operational)	7,069	7,069
Buildings	1,334	1,364
Furniture, fittings and equipment	99	88
Infrastructure	6,170	6,175
Work in progress	758	505
<i>Current assets:</i>		
Cash and cash equivalents	60	85
Trade and other receivables	150	136
<i>Liabilities:</i>		
Trade and other payables	(119)	(161)
Other current liabilities	(34)	(113)
Borrowings	(1,956)	(1,574)
Deferred tax liability	(1,429)	(1,420)
Share of net assets	12,103	12,154
Share of expenses	1,667	1,209
Share of revenue	1,657	1,448

Notes to the Financial Statements

17. Property, plant and equipment

	Cost/ revaluation 1 July 2016 \$'000	Accumulated depreciation & impairment charges \$'000	Carrying amount 1 July 2016 \$'000	Current year additions & transfers from WIP \$'000	Current year vested \$'000
Council 2016/17					
<i>Operational Assets:</i>					
Land	79,745	-	79,745	-	-
Buildings/improvements	189,245	21	189,224	6,942	-
Vehicles	5,020	1,885	3,135	1,161	-
Furniture, fittings and equipment	17,857	12,479	5,378	2,738	-
Puke Ariki book collection	6,264	865	5,399	645	-
<i>Restricted assets:</i>					
Parks and reserves	187,285	-	187,285	979	254
Puke Ariki museum collection	26,686	-	26,686	-	-
Govett-Brewster Len Lye Centre collection	13,073	-	13,073	231	-
<i>Infrastructural assets:</i>					
Roading	1,068,670	-	1,068,670	9,075	2,468
Laboratory	83	-	83	10	-
Solid waste	8,108	-	8,108	-	-
Stormwater	153,655	-	153,655	180	452
Flood protection	13,903	-	13,903	-	-
Water	150,472	-	150,472	1,240	405
Wastewater	211,838	-	211,838	2,765	425
Work in progress	12,560	-	12,560	31,490	-
New Plymouth Airport runway/services	6,174	-	6,174	287	-
Total Council	2,150,638	15,250	2,135,388	57,743	4,004
Group 2015/16					
<i>Operational Assets:</i>					
Land	79,745	-	79,745	-	-
Buildings/improvements	189,382	112	189,270	6,942	-
Vehicles	5,204	2,000	3,204	1,239	-
Furniture, fittings and equipment	18,221	12,745	5,476	2,747	-
Puke Ariki book collection	6,264	865	5,399	645	-
<i>Restricted assets:</i>					
Parks and reserves	187,285	-	187,285	979	254
Puke Ariki museum collection	26,686	-	26,686	-	-
Govett-Brewster/Len Lye Centre collection	13,073	-	13,073	231	-
<i>Infrastructural assets:</i>					
Roading	1,068,670	-	1,068,670	9,075	2,468
Laboratory	83	-	83	10	-
Solid waste	8,108	-	8,108	-	-
Stormwater	153,655	-	153,655	180	452
Flood protection	13,903	-	13,903	-	-
Water	150,472	-	150,472	1,240	405
Wastewater	211,838	-	211,838	2,765	425
Work in progress	12,560	-	12,560	32,593	-
New Plymouth Airport runway/services	6,174	-	6,174	287	-
Total Group	2,151,323	15,722	2,135,601	58,935	4,004

Notes to the Financial Statements

Current year disposals	Current year depreciation	Accumulated depreciation disposed/ revalued	Transfer non-current assets held for sale	Revaluation surplus/ (deficit)	Cost/ revaluation	Accumulated depreciation & impairment	Carrying amount
30 June 2017	30 June 2017	30 June 2017	30 June 2017	30 June 2017	30 June 2017	30 June 2017	30 June 2017
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(170)	-	-	-	-	79,575	-	79,575
(390)	6,087	(14)	-	-	195,797	6,095	189,703
(1,174)	444	(655)	-	-	5,006	1,674	3,333
(10)	1,482	(10)	-	-	20,585	13,951	6,634
-	461	(1,326)	-	(1,640)	5,269	(0)	5,269
-	-	-	-	(571)	187,947	-	187,947
-	-	-	-	126	26,812	-	26,812
-	-	-	-	3,079	16,384	-	16,384
-	11,236	-	-	(21)	1,080,192	11,236	1,068,957
-	25	-	-	-	93	25	68
-	414	-	-	1,368	9,476	414	9,062
(344)	2,410	(5)	-	2,657	156,600	2,405	154,195
-	116	-	-	(7)	13,896	116	13,780
(254)	4,015	(6)	-	5,054	156,917	4,009	152,908
(1,261)	5,206	(40)	-	14,834	228,601	5,166	223,435
(24,581)	-	-	-	-	19,469	-	19,469
-	303	-	-	-	6,461	303	6,158
(28,184)	32,197	(2,055)	-	24,880	2,209,080	45,393	2,163,688
(170)	-	-	-	-	79,575	-	79,575
(390)	6,098	(14)	-	-	195,934	6,196	189,738
(1,187)	472	(655)	-	-	5,256	1,816	3,440
(36)	1,522	(30)	-	-	20,932	14,237	6,695
-	461	(1,326)	-	(1,640)	5,269	(0)	5,269
-	-	-	-	(571)	187,947	-	187,947
-	-	-	-	126	26,812	-	26,812
-	-	-	-	3,079	16,384	-	16,384
-	11,236	-	-	(21)	1,080,192	11,236	1,068,957
-	25	-	-	-	93	25	68
-	414	-	-	1,368	9,476	414	9,062
(344)	2,410	(5)	-	2,657	156,600	2,405	154,195
-	116	-	-	(7)	13,896	116	13,780
(254)	4,015	(6)	-	5,054	156,917	4,009	152,908
(1,261)	5,206	(40)	-	14,834	228,601	5,166	223,435
(24,195)	-	-	-	-	20,958	-	20,958
-	298	-	-	-	6,461	298	6,164
(27,837)	32,271	(2,076)	-	24,880	2,211,304	45,917	2,165,387

Notes to the Financial Statements

17. Property, plant and equipment (continued)

	Cost/ revaluation 1 July 2015 \$'000	Accumulated depreciation & impairment charges \$'000	Carrying amount 1 July 2015 \$'000	Current year additions & transfers from WIP \$'000	Current year vested \$'000
Council 2015/16					
<i>Operational Assets:</i>					
Land	72,154	-	72,154	-	-
Buildings/improvements	186,834	11,368	175,466	21,706	468
Vehicles	4,508	1,877	2,631	1,106	-
Furniture, fittings and equipment	18,550	13,644	4,906	1,719	-
Puke Ariki book collection	5,524	404	5,120	740	-
<i>Restricted assets:</i>					
Parks and reserves	174,471	-	174,471	707	407
Puke Ariki museum collection	26,673	-	26,673	-	13
Govett-Brewster Len Lye Centre collection	13,073	-	13,073	-	-
<i>Infrastructural assets:</i>					
Roading	1,063,929	20,667	1,043,262	17,992	3,322
Laboratory	142	43	99	90	-
Solid waste	5,861	227	5,634	5,534	-
Stormwater	102,972	3,289	99,683	1,281	704
Flood protection	13,655	226	13,429	19	-
Water	122,377	7,691	114,686	2,772	693
Wastewater	206,222	10,463	195,759	3,142	327
Work in progress	37,733	-	37,733	11,491	-
New Plymouth Airport runway/services	6,125	536	5,589	448	-
Total Council	2,060,803	70,435	1,990,368	68,747	5,934
Group 2015/16					
<i>Operational Assets:</i>					
Land	72,154	-	72,154	-	-
Buildings/improvements	186,968	11,448	175,520	21,709	468
Vehicles	4,641	1,964	2,677	1,165	-
Furniture, fittings and equipment	18,891	13,873	5,018	1,749	-
Puke Ariki book collection	5,524	404	5,120	740	-
<i>Restricted assets:</i>					
Parks and reserves	174,471	-	174,471	707	407
Puke Ariki museum collection	26,673	-	26,673	-	13
Govett-Brewster/Len Lye Centre collection	13,073	-	13,073	-	-
<i>Infrastructural assets:</i>					
Roading	1,063,929	20,667	1,043,262	17,992	3,322
Laboratory	142	43	99	90	-
Solid waste	5,861	227	5,634	5,534	-
Stormwater	102,972	3,289	99,683	1,281	704
Flood protection	13,655	226	13,429	19	-
Water	122,377	7,691	114,686	2,772	693
Wastewater	206,222	10,463	195,759	3,142	327
Work in progress	37,733	-	37,733	11,491	-
New Plymouth Airport runway/services	6,125	536	5,589	448	-
Total Group	2,061,411	70,831	1,990,580	68,839	5,934

Notes to the Financial Statements

Current year disposals	Current year depreciation	Accumulated depreciation disposed/ revalued	Transfer non-current assets held for sale	Revaluation surplus/ (deficit)	Cost/ revaluation	Accumulated depreciation & impairment	Carrying amount
\$'000	\$'000	\$'000	\$'000	\$'000	30 June 2016 \$'000	30 June 2016 \$'000	30 June 2016 \$'000
-	-	-	1,860	5,731	79,745	-	79,745
(138)	5,889	(17,236)	(3,220)	(16,405)	189,245	21	189,224
(594)	413	(405)	-	-	5,020	1,885	3,135
(2,487)	1,303	(2,468)	-	75	17,857	12,479	5,378
-	461	-	-	-	6,264	865	5,399
-	-	-	(200)	11,900	187,285	-	187,285
-	-	-	-	-	26,686	-	26,686
-	-	-	-	-	13,073	-	13,073
-	10,391	(31,058)	(1,660)	(14,913)	1,068,670	-	1,068,670
-	25	(68)	-	(149)	83	-	83
-	197	(424)	-	(3,287)	8,108	-	8,108
(290)	1,964	(5,253)	-	48,988	153,655	-	153,655
-	113	(339)	-	229	13,903	-	13,903
(624)	3,878	(11,569)	-	25,254	150,472	-	150,472
(542)	5,311	(15,774)	-	2,689	211,838	-	211,838
(36,664)	-	-	-	-	12,560	-	12,560
-	277	(813)	-	(399)	6,174	-	6,174
(41,339)	30,222	(85,407)	(3,220)	59,713	2,150,638	15,250	2,135,388
-	-	-	1,860	5,731	79,745	-	79,745
(138)	5,900	(17,236)	(3,220)	(16,405)	189,382	112	189,270
(602)	441	(405)	-	-	5,204	2,000	3,204
(2,494)	1,346	(2,474)	-	75	18,221	12,745	5,476
-	461	-	-	-	6,264	865	5,399
-	-	-	(200)	11,900	187,285	-	187,285
-	-	-	-	-	26,686	-	26,686
-	-	-	-	-	13,073	-	13,073
-	10,391	(31,058)	(1,660)	(14,913)	1,068,670	-	1,068,670
-	25	(68)	-	(149)	83	-	83
-	197	(424)	-	(3,287)	8,108	-	8,108
(290)	1,964	(5,253)	-	48,988	153,655	-	153,655
-	113	(339)	-	229	13,903	-	13,903
(624)	3,878	(11,569)	-	25,254	150,472	-	150,472
(542)	5,311	(15,774)	-	2,689	211,838	-	211,838
(36,664)	-	-	-	-	12,560	-	12,560
-	277	(813)	-	(399)	6,174	-	6,174
(41,354)	30,304	(85,413)	(3,220)	59,713	2,151,323	15,722	2,135,601

Notes to the Financial Statements

17. Property, plant and equipment (continued)

All property, plant and equipment except for operational motor vehicles, furniture, fittings and equipment and work-in-progress are revalued at fair value by reference to their depreciated replacement cost or market value on an asset class basis at least every three years. The carrying values of revalued assets are assessed annually to ensure they do not differ materially from the assets' fair values. The net revaluation results are shown in other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. If a revaluation results in a decrease, and the revaluation reserve is insufficient, the decrease would be recognised in the surplus or deficit in the Statement of Comprehensive Revenue and Expense. Revaluation movements are accounted for on a class-of-class basis. 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 previously expensed, and then recognised in other comprehensive revenue and expense. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying value of the asset so that the gross carrying amount after revaluation equals the revalued amount.

Additions and subsequent costs are recognised when it is probably that the 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. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition. Gains and losses on disposals are reported net in the surplus or deficit.

All valuers noted below are independent valuers.

Operational assets

Operational assets include land, buildings (including any improvements), vehicles, furniture, fittings and equipment and library books.

Land was revalued at fair value as at 30 June 2016 by Ian Baker (FNZIV, FPINZ) Registered Valuer from Telfer Young Limited.

Buildings (including improvements) encompasses a range of areas. All were revalued at fair value as at 30 June 2016 as follows:

Asset	Valuer details
Council owned buildings	Ian Baker (FNZIV, FPINZ) Registered Valuer from Telfer Young Limited
Parks structures	Nick Moon (HNC (UK) Plant Engineering and NZCE Power and Plant) from Calibre Consulting
Parks playground equipment	Tina Dyer (National Diploma in Horticulture, registered International Playground Inspector) from Park Central
Aquatic centre/pools	Marvin Clough (MPINZ, APPI) from BECA
New Plymouth Airport buildings	Ian Baker (FNZIV, FPINZ) Registered Valuer from Telfer Young Limited

Vehicles and furniture, fittings and equipment are recognised at cost less accumulated depreciation and any accumulated impairment losses except for Airport plant and equipment which was revalued 30 June 2016 by Ian Baker (FNZIV, FPINZ) Registered Valuer from Telfer Young Limited.

The Puke Ariki book collection was revalued at replacement cost as at 30 June 2017 and reviewed by C H Jenkins BE(Hons), MIPENZ, MInstD of SPM Assets Ltd.

The Govett-Brewster Art Gallery/Len Lye Centre collection was revalued at fair value as at 30 June 2017 by Ben Plumbly BA, First Class Honours, Director of Art, Art + Object The 21st Century Auction House.

Operational assets are depreciated on a straight-line basis, except for land which is not depreciated, and Puke Ariki heritage book collection as Council's policy is to maintain in its current state. The useful lives of depreciated asset classes are as follows:

Asset class	Estimated useful lives
Buildings/improvements	20 to 100 years
Vehicles	3 to 20 years
Furniture, fittings and equipment	3 to 10 years
PukeAriki book collection (general in-use)	2 to 15 years

Notes to the Financial Statements

Restricted assets

Restricted assets includes parks and reserves land which can only be disposed of after following a rigorous legal and public consultation process.

Parks and reserve assets were revalued at fair value as at 30 June 2016 by Ian Baker (FNZIV, FPINZ) Registered Valuer from Telfer Young Limited.

The Puke Ariki museum collection was revalued at depreciated replacement cost as at 30 June 2017 and reviewed by C H Jenkins BE(Hons), MIPENZ, MInstD of SPM Assets Ltd.

The Govett-Brewster Art Gallery/Len Lye Centre collection was revalued at fair value as at 30 June 2017 by Ben Plumbly BA, First Class Honours, Director of Art, Art + Object The 21st Century Auction House.

Restricted assets are not depreciated. Parks and reserves is land which is not depreciated. The museum and art gallery collections are heritage assets and are not depreciated as it is Council policy to maintain the collections in their current state.

Infrastructural assets

Infrastructural assets are the fixed utility systems and includes all items that are required for the network to function. For example roads, water or wastewater systems. All infrastructure assets (except for work in progress) were revalued at depreciated replacement cost as at 30 June 2016. Valuations on each asset class were undertaken as follows:

Asset	Valuer details
Roading, reticulation, parks (other assets) and solid waste (other assets)	In-house and peer reviewed by Robert Berghuis (APINZ) from BECA
Water, wastewater, stormwater plant and equipment (including laboratory)	Roger Khoo (MPINZ, AAPI) from BECA
Solid waste plant and equipment	Marvin Clough (MPINZ, APPI) from BECA
Flood protection plant and equipment	Roger Khoo (MPINZ, AAPI) from BECA
New Plymouth Airport runway/services	Ian Baker (FNZIV, FPINZ) Registered Valuer from Telfer Young Limited.

A number of estimates and assumptions must be made when valuing infrastructural assets and determining the remaining useful life over which the assets will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, the Council could be over-estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expenses. In this instance the estimates and assumptions made include:

- 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:

Uniformed roads	80 per cent of average value
Formed roads (urban)	70 per cent of average value
Formed roads (rural)	50 per cent of average value
- Remaining useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted to local conditions based on past experience.
- All assets are valued and depreciated on a straight-line basis.
- Only existing utilities have been included.
- Assets are assumed to have zero residual value at the end of their effective useful lives.
- Information on the surface area, specific surface type and surfacing date was used as defined in the RAMM treatment length table at the time of valuation.

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

Notes to the Financial Statements

17. Property, plant and equipment (continued)

Infrastructural assets are depreciated on a straight-line basis. The useful lives are as follows:

Asset class	Estimated useful lives
Roading	5 to 100 years
Laboratory	8 to 30 years
Solid Waste	35 to 100 years
Stormwater	50 to 140 years
Flood Protection	50 to 200 years
Water	10 to 120 years
Wastewater	10 to 140 years
New Plymouth Airport runway/services	5 to 100 years

Infrastructural assets - further disclosures

	Closing book value \$'000	Additions		Estimated replacement cost \$'000
		Assets constructed by the Council \$'000	Assets transferred to the Council \$'000	
Infrastructural assets				
Water treatment plant and facilities	113,149	207	-	213,307
Other water assets	39,759	1,033	405	71,840
Wastewater treatment plant and facilities	152,379	2,731	-	258,119
Other wastewater assets	71,057	34	425	129,529
Stormwater damage	154,195	180	452	234,823
Flood protection	13,780	-	-	18,608
Roading	1,068,957	9,075	2,468	1,372,261

Significant capital projects

	Total Budget \$'000	Total Expenditure \$'000	Variance \$'000	Comments
LED streetlighting	1,039	1,336	(297)	Five year programme of works, expecting to complete in year four within budget.
Wai Taatari projects - NP Wastewater Treatment Plant upgrade	6,656	6,256	400	On schedule to complete in February 2018.
Area Q Sewer Trunk Main and Pump Station	2,100	159	1,941	This project has been delayed owing to obtaining land easements. This has now been resolved and the project is expected to be completed in Autumn 2018.

Notes to the Financial Statements

18. Non-current assets held for sale

Non-current assets held for sale as at 30 June 2017 included one building no longer required for Council purposes.

Non-current assets held for sale as at 30 June 2016 included three buildings no longer required for Council purposes.

Properties no longer required in the Council's operations and therefore intended for sale have been measured at the lower of carrying amount or fair value less selling costs. These are tested for impairment on an annual basis and any write-downs are recognised in the surplus or deficit. Non-current assets held for sale are not depreciated or amortised..

	Council		Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Buildings	150	1,410	150	1,410
Total non-current assets held for sale	150	1,410	150	1,410

19. Insurance cover

	Cover	Sum insured \$'000
Total value of all assets covered by insurance contracts	Material damage and forestry	492,007
Total value of all assets covered by financial risk sharing arrangements	LAPP	703,763
Total value of all assets that are self-insured	Self-insurance	1,447

20. Trade and other payables

	Council		Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Trade payables	8,541	11,037	8,926	13,631
Deposits and bonds	1,242	908	1,242	908
Accrued interest	433	429	433	429
Contract retentions	1,064	1,188	1,064	1,188
Other payables	117	7	117	7
Crown interests in Airport	381	381	381	381
Taranaki Investment Management Limited	-	396	60	-
Total trade and other payables	11,779	14,346	12,224	16,545

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

Notes to the Financial Statements

21. Public debt and other loans

	Council		Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
<i>Current:</i>				
Public debt and other loans	60,000	39,000	60,000	39,000
<i>Non-current:</i>				
Public debt and other loans	50,000	71,000	50,000	71,000
Total public debt and other loans	110,000	110,000	110,000	110,000
<i>Represented by:</i>				
Debenture stock	49,000	49,000		
Local Government Funding Authority Borrowings	61,000	61,000		
	110,000	110,000		

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Interest on public debt and loans, bank and facility fees and transaction costs are recognised in the surplus or deficit over the period of the debt using the effective interest method.

Interest rates range from 2.0 per cent to 5.4 per cent (2016: 3.0 per cent to 5.2 per cent) - weighted average rate of 4.6 per cent (2016: 4.8 per cent).

All the Council's loans are secured under the terms of the Debenture Trust Deed between the Council and Covenant Trustee Services Ltd as Trustee (formerly Foundation Corporate Trust). Security is by a charge over the Council's ability to levy rates in favour of the Trustee. Pursuant to the Debenture Trust Deed, the Council has issued to its bankers security certificates totalling \$8.205 billion (2016: \$6.22 billion) to secure the various bank loan facilities, bank overdraft and guarantees issued on behalf of the Council and other general banking facilities.

22. Special funds/reserves

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

	Council		Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Opening balances 1 July	85,250	80,356	85,306	80,412
Deposits to reserves	28,758	28,507	28,758	28,507
Withdrawals from reserves	(28,488)	(23,613)	(28,488)	(23,613)
Closing balances 30 June	85,519	85,250	85,575	85,306

Notes to the Financial Statements

Represented by:

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.

	Council and Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000
Opening balance 1 July	7,076	8,940
Transfers between reserves	275	-
Deposits to reserves	3,816	925
Withdrawals from reserves	(927)	(2,789)
Closing balance 30 June	10,240	7,076

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.

	Council and Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000
Opening balance 1 July	2,300	1,849
Deposits to reserves	715	656
Withdrawals from reserves	(1,182)	(205)
Closing balance 30 June	1,833	2,300

Restricted reserves, Trust and Bequest funds

These funds are subject to specific conditions accepted as binding by the Council, such as bequests or operations in trust under specific Acts, and which may not be revised by the Council without reference to the courts or third party. Transfers from these reserves may be made only for certain specified purposes, or when specified conditions are met. These include the Waitara Harbour Trust, heritage funds, proceeds from sale of Junction Road leases, Ngamotu 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, Puke Ariki and Len Lye Centre/Govett-Brewster Art Gallery.

	Council		Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Opening balance 1 July	11,965	11,712	12,021	11,768
Transfers between reserves	19,578	-	19,578	-
Deposits to reserves	1,669	1,178	1,669	1,178
Withdrawals from reserves	(3,365)	(925)	(3,365)	(925)
Closing balance 30 June	29,847	11,965	29,903	12,021

Notes to the Financial Statements

22. Special funds/reserves (continued)

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, PukeAriki and Govett-Brewster Art Gallery/Len Lye Centre. These reserves also include the Solid Waste development fund which was set up for capital, renewal and emergency maintenance works associated with the District's solid waste disposal systems.

	Council and Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000
Opening balance 1 July	22,140	20,315
Transfers between reserves	(19,855)	-
Deposits to reserves	1,239	5,955
Withdrawals from reserves	(2,274)	(4,130)
Closing balance 30 June	1,250	22,140

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. In addition, the Council maintains a disaster fund as part of its insurance strategies. The renewal funds are applied to all activities throughout Council.

	Council and Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000
Opening balance 1 July	41,769	37,540
Transfers between reserves	1	-
Deposits to reserves	21,319	19,793
Withdrawals from reserves	(20,739)	(15,564)
Closing balance 30 June	42,349	41,769

23. Retained earnings

	Council		Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Opening balance at 1 July	1,511,131	1,497,700	1,509,845	1,398,691
Surplus/(deficit) after taxation	13,613	18,325	13,490	35,601
(Increase)/decrease in special funds/reserves	(269)	(4,894)	(269)	(4,894)
(Increase)/decrease due to currency fluctuation	-	-	1,704	(32,082)
Revaluation surplus on assets sold transferred to retained earnings	-	-	-	114,277
Equity adjustment	5	-	1	(1,748)
Closing balance 30 June	1,524,480	1,511,131	1,524,771	1,509,845

Notes to the Financial Statements

24. Asset revaluation reserve

	Council		Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Operational land				
Opening balance 1 July	36,522	30,798	36,522	30,798
Revaluation/(impairment)	-	5,724	-	5,724
Closing balance 30 June	36,522	36,522	36,522	36,522
Operational buildings				
Opening balance 1 July	30,411	29,704	30,411	29,704
Revaluation/(impairment)	-	707	-	707
Closing balance 30 June	30,411	30,411	30,411	30,411
Operational library				
Opening balance 1 July	(91)	(91)	(91)	(91)
Revaluation/(impairment)	(313)	-	(313)	-
Closing balance 30 June	(404)	(91)	(404)	(91)
Restricted land				
Opening balance 1 July	67,209	55,309	67,209	55,309
Revaluation/(impairment)	(571)	11,900	(571)	11,900
Closing balance 30 June	66,638	67,209	66,638	67,209
Restricted art/museum				
Opening balance 1 July	1,940	1,940	1,940	1,940
Revaluation/(impairment)	3,205	-	3,205	-
Closing balance 30 June	5,145	1,940	5,145	1,940
Infrastructure				
Opening balance 1 July	602,652	480,354	602,652	480,354
Revaluation/(impairment)	23,889	122,298	23,889	122,298
Closing balance 30 June	626,541	602,652	626,541	602,652
Total asset revaluation reserve	764,853	738,643	764,853	738,643

Notes to the Financial Statements

25. Derivatives

The Council uses interest rate swaps to mitigate its risk associated with interest rate fluctuations. These derivatives are initially recognised at fair value on the date the contract is entered into, and subsequently remeasured to fair value each quarter. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Derivatives that are settled within 12 months are treated as current.

Swaps are entered into with the objective of reducing the risk of rising interest rates. Any gains or losses arising from the changes in fair value of derivatives are recognised in the surplus or deficit. The net difference paid or received on the interest rate swaps is recognised as part of the total finance revenue or finance costs over the period of the contract. The Council does not hold or issue derivative financial instruments for trading purposes.

The table below summarises the movements in interest rate swaps and the classification between current and non-current assets and liabilities.

	Council		Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Balance as at 1 July	(8,775)	(4,094)	(8,775)	(4,094)
Net (loss)/gain on derivatives	3,300	(4,681)	3,300	(4,681)
Balance as at 30 June	(5,475)	(8,775)	(5,475)	(8,775)
<i>Represented by:</i>				
Current assets	-	-	-	-
Non-current assets	635	85	635	85
Current liabilities	(201)	(277)	(201)	(277)
Non-current liabilities	(5,908)	(8,583)	(5,908)	(8,583)
Total net interest rate swap derivatives	(5,475)	(8,775)	(5,475)	(8,775)

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, designed to capture, value and report interest rate swaps. Hedgebook uses daily rate feeds of floating rate references such as BKBM and BBSW from industry benchmark sources.

The notional principal amounts of the outstanding interest rate swap contracts were \$144m (2016: \$127m).

At 30 June 2017 the fixed interest rates of the interest rate swaps vary from 3.45 per cent to 5.47 per cent (2016: 3.30 per cent to 5.24 per cent).

Notes to the Financial Statements

26. Statement of Cash Flows Reconciliation

	Council		Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Surplus/(deficit) after taxation	13,613	18,325	13,490	35,601
<i>Non-cash items:</i>				
Depreciation/amortisation	33,018	31,117	33,124	32,809
Gain/(loss) on disposal of business operations	-	-	-	(54,544)
Assets vested in council	(4,178)	(5,934)	(4,178)	(5,934)
Impairment	529	1,510	529	1,510
Loss on sale of assets	2,161	1,005	2,142	998
Net loss/(gain) on derivatives	(3,280)	4,680	(3,280)	4,680
Net (gain)/loss on forestry assets	(234)	(682)	(234)	(682)
Net (gain)/loss on carbon credits	20	(801)	20	(801)
Bad debts	-	99	-	99
Loss/(gain) on sales included in investing activities	(11,538)	(23,572)	(10,917)	(6,056)
	16,498	7,422	17,206	(27,921)
<i>Add/(less) Movement in other working capital items:</i>				
Change in trade and other receivables	770	3,488	1,747	10,177
Change in trade and other payables	(1,157)	(2,610)	(2,910)	(6,465)
Change in inventory	(47)	23	(47)	64
Change in livestock (Tasmanian Land Company Ltd)	-	-	-	-
Change in prepayments	(16)	(801)	(12)	(805)
Change in other provision	(1,396)	2,226	(1,397)	2,226
Change in revenue in advance	534	197	599	212
Change in taxation	(80)	342	(28,245)	13,045
<i>Other:</i>				
Movement in employee entitlements (current)	(154)	(85)	(502)	(85)
Movement in employee entitlements (non-current)	(135)	(651)	(134)	(193)
	(1,680)	2,129	(30,899)	18,176
Net cash flow from operating activities	28,431	27,876	(203)	25,856

Notes to the Financial Statements

27. Financial instruments

Financial instrument categories

For financial reporting purposes, the Council and Group designates its financial instruments into the following categories:

	Council		Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Financial assets				
<i>Loans and receivables:</i>				
Cash and cash equivalents	11,715	9,492	15,187	227,861
Trade and other receivables	13,538	14,309	13,780	15,527
Term deposits	36,641	37,071	36,641	37,071
New Plymouth Airport Joint Venture Loan	1,156	1,574	1,156	1,574
Mortgages/other loans	1,362	1,241	1,362	1,241
	64,413	63,688	68,127	283,274
<i>Financial assets at fair value through surplus or deficit designated upon initial recognition:</i>				
Derivative financial assets	635	85	635	85
Bonds, shares and other investments (PIF)	274,867	270,207	271,891	81,679
	275,502	270,292	272,526	81,764
<i>Assets held to maturity:</i>				
Bonds	600	850	600	850
	600	850	600	850
<i>Available for sale:</i>				
Local authority stock	976	996	976	996
NZ Local Government Corporation	504	504	504	504
	1,480	1,500	1,480	1,500
Total financial assets	341,995	336,330	342,732	367,388
Financial liabilities				
<i>Financial liabilities at fair value through surplus or deficit designated upon initial recognition:</i>				
Derivative financial liabilities	6,110	8,860	6,110	8,860
	6,110	8,860	6,110	8,860
<i>Financial liabilities at amortised cost:</i>				
Trade and other payables	11,779	14,346	12,224	16,544
<i>Borrowings:</i>				
Debenture stock	49,000	49,000	49,000	49,000
Local Government Funding Authority Borrowings	61,000	61,000	61,000	61,000
	121,779	124,346	122,224	126,544
Total financial liabilities	127,889	133,206	128,334	135,403

Notes to the Financial Statements

Fair values

The Council and Group's assets and liabilities measured at fair value are categorised into one of the three levels as follows:

Level one. The fair value is determined using unadjusted quoted prices from an active market for identical assets and liabilities. A market is regarded as active if quoted prices are readily and regularly available from an exchange, a dealer, a broker, an industry group, a pricing service or a regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level two. The fair value is derived from inputs other than quoted prices included within level one that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level three. The fair value is derived from inputs that are not based on observable market data.

	Council		Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Financial assets				
<i>Level one - Financial assets:</i>				
PIF investments	233,430	43,718	230,443	43,718
	233,430	43,718	230,443	43,718
<i>Level two:</i>				
NZ LGFA	504	504	504	504
PIF investments	17,162	12,088	17,162	7,356
Derivatives	635	85	635	85
	18,301	12,677	18,301	7,945
<i>Level three:</i>				
PIF investments	24,285	214,401	24,285	32,211
	24,285	214,401	24,285	32,211
Total financial assets	276,006	270,796	273,029	83,874
Total PIF investments	274,867	270,207	271,890	83,285
The transfers between the levels for the PIF Investments is due to the change in the management of the PIF fund from Trustee Executors to Mercer. The Mercer funds are mainly invested in level one funds with a daily quotable price. The exceptions are \$17.162m of unlisted infrastructure and property and \$24.285m of private equity.				
Financial liabilities				
<i>Level two - Financial assets:</i>				
Derivatives	5,779	8,860	5,779	8,860
Total financial liabilities	5,779	8,860	5,779	8,860

There were no transfers between different levels.

Level three reconciliation

	Council		Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Opening balance	214,401	207,068	32,211	41,677
Gains/(losses) recognised in surplus/(deficit)	12,538	4,714	1,276	(12,028)
Purchases	23,482	6,518	23,482	6,518
Sales	(215,379)	(9,782)	(21,928)	(9,782)
Return of capital	(10,887)	5,883	(10,887)	5,883
Closing balance	24,154	214,401	24,154	32,268

Refer to Note 12 for the valuation methodology of NZ LFGA, Note 14 for the valuation methodology of the PIF, and Note 25 for the valuation methodology of derivatives.

Notes to the Financial Statements

27. Financial instruments (continued)

Risk management

The Council and Group's broad financial philosophy is based on compliance with the obligations imposed on local authorities in terms of the Local Government Act 2002.

The Council's overriding obligation is to manage its affairs prudently and in the interest of its community.

Accordingly the Council's philosophy on the conduct of its financial activities is to ensure the risks associated with such activities are properly identified, quantified and managed to ensure it meets the above obligations and there is minimal negative impact on the Council arising from such risks.

Market risk

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, which are classified as financial assets at fair value through surplus or deficit. This price risk arises due to market movements in listed securities. This price risk is managed by diversification of the Council's investment portfolio in accordance with its Treasury Management Policy and advice from TIML and PIF Guardians (NPG).

Currency risk

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 investment portfolio which includes investments denominated in a number of foreign currencies. This currency risk is managed by diversification of the Council's investment portfolio in accordance with its Treasury Management Policy and advice from TIML and NPG.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed interest rates of interest expose the Council to fair value interest rate risk. This risk is managed within the framework of the Treasury Management Policy. Interest rate swaps are used to hedge the Council's fair value interest rate risk.

Cash flow interest rate risk

Cashflow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowing and investments issued at variable interest rates expose the Council and Group to cash flow interest rate risk. To manage this risk the Council at times borrows at floating rates and swaps them into fixed rates using interest rate swaps.

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Council, causing the Council to incur a loss.

Treasury investments

Due to the timing of its cash inflows and outflows, the Council invests surplus cash into term deposits with registered banks. In addition, the Council invests special funds and reserves in term deposits, other local authority stock and other interest bearing securities. The Council's Treasury Management Policy limits the amount of credit exposure to any one financial institution or organisation. Investments in other local authorities are secured by charges over rates. Other than the local authorities, the Council only invests with entities that have a Standard and Poor's rating of at least AA- for short-term and A+ for long-term investments with the exception of TSB Bank (BBB+).

The Council is exposed to credit risk as a guarantor of all LGFA's borrowings. Information about this exposure is explained in Note 34 Contingencies.

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



Notes to the Financial Statements

PIF investments

The PIF invests in a variety of investments; equities, bonds and private equity funds.

This credit risk is managed by diversification of the investment portfolio in accordance with advice from TIML/NPG and by limits set on individual investments by TIML/NPG in any one financial institution or organisation.

Maximum exposure to credit risk

The carrying amount of financial assets best represents their maximum exposure to credit risk.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard & Poors credit ratings (if available) or to historical information about counterparty default rates.

As at 30 June 2017 Council held cash and term deposits totalling \$10.5m (2016: \$4.2m) at counterparties with a credit rating of BBB+ (Group: \$10.5m (2016: \$4.2m)). All other cash at bank and term deposits totalling \$37.9m (2016: \$42.4m) were held at counterparties with a credit rating of AA- or higher (Group \$41.3m (2016: \$43.0m)).

Trade and other receivables mainly arise from the Council's statutory functions therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. The Council has no significant concentrations of credit risk in relation to debtors and other receivables as it has a large number of customers, mainly ratepayers, and the Council has power under the LG(R)A to recover outstanding debts from ratepayers.

PIF investments are spread over a large number of financial institutions, many of which are domiciled overseas. While a number of these may have Standard & Poor's, or similar ratings, no attempt is made to record or monitor these. Nor are their ratings necessarily used as criteria when making such investments.

Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty raising liquid funds to meet commitments as they fall due. The Council aims to maintain flexibility in funding by keeping credit lines available. In meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months. The Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management Policy. These policies have been adopted as part of the Council's LTP. The Council has on call facilities with two separate banks totalling \$32m (2016: \$32m). There are no restrictions on the use of these facilities. At balance date no amount had been drawn down on these facilities (2016: 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 34 Contingencies.

Notes to the Financial Statements

27. Financial instruments (continued)

The table below analyses the Council and Group's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Carrying amount \$'000	Contractual cash flows \$'000	Less than 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Council 2017					
Trade and other payables	11,779	11,779	11,779	-	-
Public debt and other loans	110,000	117,062	61,837	34,127	21,098
Derivatives	6,110	6,110	201	5,088	821
Total Council 2017	127,889	134,951	73,817	39,216	21,919
Group 2017					
Trade and other payables	12,224	12,224	12,224	-	-
Public debt and other loans	110,000	117,062	61,837	34,127	21,098
Derivatives	6,110	6,110	201	5,088	821
Total Group 2017	128,334	135,396	74,262	39,216	21,919
Council 2016					
Trade and other payables	14,346	14,346	14,346	-	-
Public debt and other loans	110,000	112,861	39,637	52,599	20,625
Derivatives	8,860	8,860	277	3,378	5,205
Total Council 2016	133,206	136,067	54,260	55,977	25,830
Group 2016					
Trade and other payables	16,545	16,545	16,545	-	-
Public debt and other loans	110,000	112,861	39,637	52,599	20,625
Derivatives	8,860	8,860	277	3,378	5,205
Total Group 2016	135,405	138,266	56,459	55,977	25,830

Notes to the Financial Statements

Sensitivity risk

The tables below illustrate the potential surplus/deficit and equity impact for reasonable possible market movements, with other variables held constant, based on the Council and Group's financial instrument exposures at balance date.

Interest rate risk

	-100bps		+100bps	
	Surplus/ (deficit) \$'000	Other equity \$'000	Surplus/ (deficit) \$'000	Other equity \$'000
Council 2017				
<i>Financial assets:</i>				
Cash and cash equivalents	(117)	-	117	-
Term deposits	(366)	-	366	-
Derivatives	872	-	305	-
<i>Financial liabilities:</i>				
Derivatives	(9,238)	-	(2,432)	-
Total interest rate sensitivity	(8,850)	-	(1,643)	-
Council 2016				
<i>Financial assets:</i>				
Cash and cash equivalents	(95)	-	95	-
Term deposits	(371)	-	371	-
Derivatives	413	-	(220)	-
<i>Financial liabilities:</i>				
Derivatives	(13,494)	-	(4,536)	-
Total interest rate sensitivity	(13,547)	-	(4,290)	-
Group 2017				
<i>Financial assets:</i>				
Cash and cash equivalents	(152)	-	152	-
Term deposits	(366)	-	366	-
Derivatives	872	-	305	-
<i>Financial liabilities:</i>				
Derivatives	(9,238)	-	(2,432)	-
Total interest rate sensitivity	(8,884)	-	(1,609)	-
Group 2016				
<i>Financial assets:</i>				
Cash and cash equivalents	(2,279)	-	2,279	-
Term deposits	(371)	-	371	-
Derivatives	804	-	1,017	-
<i>Financial liabilities:</i>				
Derivatives	(13,494)	-	(4,536)	-
Total interest rate sensitivity	(15,340)	-	(869)	-

The interest rate sensitivity above is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 100 bps is equivalent to a decrease in interest rates of one per cent.

Notes to the Financial Statements

27. Financial instruments (continued)

Foreign exchange and equity price risk

	-100bps		+100bps	
	Surplus/ (deficit) \$'000	Other equity \$'000	Surplus/ (deficit) \$'000	Other equity \$'000
Council 2017				
<u>Financial assets foreign exchange risk:</u>				
PIF Investments	2,043	-	(2,043)	-
<u>Financial assets equity price risk:</u>				
PIF Investments	(15,169)	-	15,169	-
Total foreign exchange and equity price risk sensitivity	(13,126)	-	13,126	-
Council 2016				
<u>Financial assets foreign exchange risk:</u>				
PIF Investments	26,201	-	(21,246)	-
<u>Financial assets equity price risk:</u>				
PIF Investments	(3,200)	-	3,200	-
Total foreign exchange and equity price risk sensitivity	23,001	-	(18,046)	-
Group 2017				
<u>Financial assets foreign exchange risk:</u>				
PIF Investments	2,043	-	(2,043)	-
<u>Financial assets equity price risk:</u>				
PIF Investments	(15,169)	-	15,169	-
Total foreign exchange and equity price risk sensitivity	(13,126)	-	13,126	-
Group 2016				
<u>Financial assets foreign exchange risk:</u>				
PIF Investments	26,201	-	(21,246)	-
<u>Financial assets equity price risk:</u>				
PIF Investments	(3,200)	-	3,200	-
Total foreign exchange and equity price risk sensitivity	23,001	-	(18,046)	-

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

The sensitivity for listed shares has been calculated based on movement in the quoted bid share price at year end for the listed shares.

Once the transition to Mercer is complete, Private Equity Investments will be fully hedged in the base currency, mitigating the foreign exchange risk.

Notes to the Financial Statements

28. 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 LTP 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 LTP.

Refer to Note 22 for further information on the Council's special funds/reserves.

29. Major budget variations

Explanations for major budget variances from the Council budget figures in the Annual Plan are as follows.

Statement of Comprehensive Revenue and Expense

	2016/17 Actual \$'000	2016/17 Budget \$'000	Variance \$'000	Comments
Other revenue	30,687	27,420	3,267	Higher volumes of trade waste processed and building and resource consents. Recoverable costs for the improvements to Yarrow Stadium.

Statement of Financial Position

	2016/17 Actual \$'000	2016/17 Budget \$'000	Variance \$'000	Comments
Cash and cash equivalents	11,715	3,520	8,195	Significant cash receipts at year end, to be put into term deposits.
Trade and other receivables	12,772	17,140	(4,368)	Variance to budget assumptions.
Other financial assets	36,502	40,570	(4,068)	Less was held in term deposits than anticipated in the budget - see cash comment above.
Trade and other payables	12,030	21,160	(9,130)	Variance to budget assumptions.
Public debt and other loans - current and non-current	110,000	122,550	(12,550)	Borrowings have not increased due to delays in our capital programme.

Notes to the Financial Statements

30. Related parties transactions

The Council has control of and is deemed to have related party relationships with TIML/NPG, New Plymouth Airport Joint Venture, Forestry Joint Ventures, Venture Taranaki Trust, Tasmanian Land Company Limited and Len Lye Centre Trust.

No debts between the parties were written off or forgiven during the reporting period (2016: nil). No transactions took place at nil or nominal value (2016: nil).

Forestry Joint Ventures

Transactions between the two parties consist of reimbursement of costs incurred by the Council on behalf of the forestry joint ventures and of charges made to the forestry joint ventures for the provision of services.

The total value of these transactions, excluding GST, during the year amounted to:

	2016/17 Actual \$'000	2015/16 Actual \$'000
McKay Joint Venture	10	7
Duthie Joint Venture	9	7
Oakura Farms Limited Joint Venture	-	4
Tarata Ngatimaru Pukehou Joint Venture	9	7

New Plymouth Airport Joint Venture

During the year the following transactions took place:

	2016/17 Actual \$'000	2015/16 Actual \$'000
Services provided by the Council	292	362
Land to the Council	-	-
Lease charges to the Council	-	2
Interest and Loan repayments	333	287
Accounts payable to the Council	40	1
Advance to New Plymouth Joint Venture	900	700
Loan to New Plymouth Airport Joint Venture	3,912	3,148

New Plymouth PIF Guardians

The Council is a related party because it owns all the shares in the company.

	2016/17 Actual \$'000	2015/16 Actual \$'000
Services provided to the Council	1,299	454
Amounts receivable from the Council	36	404
Services provided by the Council	68	84
Accounts payable to the Council	71	1,514
Services provided to TLC	253	-
Related party advance	60	60

No members of the Council or its senior management have entered into any transactions with the company during the 2016/17 year (2016: nil).

Notes to the Financial Statements

Venture Taranaki Trust

The Council is a related party because it owns all the shares in the company.

	2016/17 Actual \$'000	2015/16 Actual \$'000
Services/grants provided by the Council	2,849	2,766
Services provided by Venture Taranaki Trust	516	286
Amounts receivable from/to the Council	9	4

Tasmanian Land Company Limited

The Council is a related party because it owns all the shares in the company.

	2016/17 Actual \$'000	2015/16 Actual \$'000
Amounts invoiced for services received from TLC	-	-
Amounts invoiced for services provided to TLC	10	4,699
Amounts receivable from TLC	-	4,699

TLC received loan proceeds of \$3.76m from the Council on 17 March 2016. These monies were repaid on 31 March 2016.

Len Lye Centre Trust

The Council is a related party because the Len Lye Centre Trust was established to undertake fundraising for the Len Lye Centre.

	2016/17 Actual \$'000	2015/16 Actual \$'000
Fundraising received by the Council	76	64
Amounts receivable from Len Lye Centre Trust	-	28

Key management and members of the Council

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 and purchase of rubbish bags.

No councillors or senior management have entered into related party transactions with the Group.

31. Remuneration

The Chief Executive of the Council received a gross salary of \$390,951 (2016: \$345,635). In terms of the contract the Chief Executive also received a motor vehicle benefit of \$10,877 (2016: \$14,629).

For the year ended 30 June 2017 the total annual cost, including fringe benefits, to the Council of the remuneration package being received by the Chief Executive is calculated at \$401,828 (2016: \$360,264).

Total benefits received by Chief Executive and key management personnel of the Council and Group

	2016/17	2015/16
Total remuneration	1,596,112	\$1,376,049
Full-time equivalents	6.2	5.8

Notes to the Financial Statements

31. Remuneration (continued)

Councillors (total salary and allowances paid to the Mayor and councillors)

	2016/17 \$	2015/16 \$
Andrew Judd (Mayor)	40,012	134,200
Neil Holdom (Mayor)	94,638	-
Keith Allum	12,314	41,300
Shaun Biesiek	45,367	51,625
Gordon Brown	45,367	51,625
Murray Chong	42,288	41,300
Grant Coward	12,314	41,300
Heather Dodunski	17,239	57,820
Harry Duynhoven	42,288	41,300
Richard Handley	41,802	41,300
Stacey Hitchcock	29,974	
Colin Johnston	42,288	41,300
Richard Jordan	49,911	41,300
Craig McFarlane	53,553	51,859
John McLeod	29,974	-
Alan Melody	29,974	-
Mike Merrick	29,974	-
Marie Pearce	42,288	41,300
Howie Tamati	12,314	41,300
Roy Weaver	49,694	41,300
Closing balance 30 June	763,573	760,129
Full-time equivalents	15	15

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

Total remuneration by salary band

	2016/17	2015/16
< \$60,000	363	360
\$60k - \$79,999	143	116
\$80k - \$99,999	75	68
\$100k - \$119,999	23	19
\$120k - \$139,999	8	9
\$140k - \$159,999	6	7
\$160k - \$379,999	5	5
Total head count	623	584
Permanent full-time equivalents	361	339
Full-time equivalent of all other employees	145	148
Total full-time equivalent as at 30 June	506	487

Notes to the Financial Statements

32. Severance payments

	Council and Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000
Severance payment one	5	2
Severance payment two	7	-
Severance payment three	82	-
Total severance payments	94	2

33. Commitments

	Council		Group	
	2016/17 Actual \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Capital commitments approved and contracted				
<i>Property, plant and equipment:</i>				
Within one year	10,223	3,565	10,223	3,565
Later than one year and not later than five years	-	-	-	-
	10,223	3,565	10,223	3,565
Non-cancellable operating lease commitments as lessee				
Within one year	13	21	53	61
Later than one year and not later than five years	19	32	19	32
Later than five years	-	-	-	-
	32	53	72	93
Non-cancellable operating lease commitments as lessor				
Within one year	1,850	1,928	1,850	1,928
Later than one year and not later than five years	5,880	6,222	5,880	6,222
Later than five years	13,063	12,146	13,063	12,146
	20,792	20,296	20,792	20,296

The Council and Group leases out land, buildings and office space. The Council through its PIF has commitments to subscribe to a number of private equity funds. At balance date \$50.1m (2016: \$9.0m) of this commitment has yet to be called up.

34. Contingencies

Contingent liabilities

Emissions Trading Scheme (ETS)

The Council has 238.5ha (2016: 232.0ha) 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 0.7ha (2016: 7.2ha) 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.

Weathertightness

The Council is subject to one claim (2016: two claims) relating to weathertightness of buildings. These were lodged under the Weathertight Home Resolution Service (and one is subject to the Financial Assistance Package Scheme with the Ministry of Business Innovation and Employment). A provision has been made for the claims in the current year therefore there is no contingent liability (2016: nil).

The Council also acknowledges that it may be liable for claims in the future relating to weathertightness buildings not yet identified. Information surrounding these potential claims is subject to extreme uncertainty and therefore no provision has been made for any potential future claims.

Notes to the Financial Statements

Local Government Funding Agency (LGFA)

The Council is a guarantor of LGFA. The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. It has a current credit rating from Standard and Poor's of AA+.

The Council is one of 41 local authority guarantors and 31 local authority shareholders of LGFA. The aggregate amount of uncalled shareholder capital is available in the event that an imminent default is identified. Also, together with other guarantors and shareholders, the Council is guarantor of all LGFA's borrowings. 30 June 2017 the Council's contingent liability in regards to the total LGFA borrowings was \$8.205 billion (2016: \$6.22 billion).

Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are 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. No calls have been made by the board of New Zealand Mutual Liability RiskPool for the 2016/17 year (2016: Nil).

There may be further calls on any shortfalls on the mutual pool's funds in the future, but the full extent of these calls have yet to be ascertained. However, as each year passes and statute of limitation period expire, the risk of further calls decreases. Accordingly, the Council has assessed that the potential liability to Council arising from these claims is minimal.

There are no other known material contingent liabilities (2016: nil).

Contingent assets

There are no known contingent assets (2016: nil).

35. Subsequent events

The Council purchased the Crown's 50 per cent stake in New Plymouth Airport on 1 July 2017 for \$3.25m (2016: nil). The Council will then have 100 per cent ownership of New Plymouth Airport. The net assets purchased are \$5.033m as below. This has resulted in a bargain purchase, with a gain in 2017/18 of \$1.78m. The bargain purchase is due to the purchase price based on a discounted cash flow model. The asset values are based on fair value, which includes items valued on a depreciated replacement cost basis. New Plymouth Airport land (\$14.138m) will vest to the Council on 1 July 2017.

	(\$'000)
Property, plant and equipment	
Buildings	1,334
Furniture, fittings and equipment	99
Infrastructure	6,170
Work in progress	758
Current assets	
Cash and cash equivalents	60
Trade and other receivables	150
Liabilities	
Trade and other payables	(119)
Other current liabilities	(34)
Borrowings	(1,956)
Deferred tax liability	(1,429)
Share of net assets	5,033

Funding Impact Statements

Funding Impact Statement

For whole of Council

	Actual 2016/17 \$'000	LTP 2016/17 \$'000	Actual 2015/16 \$'000	A/Plan 2015/16 \$'000
Sources of operating funding				
General rates, uniform annual charges, rates penalties	50,787	50,162	49,233	52,444
Targeted rates	30,546	30,585	29,291	25,494
Subsidies and grants for operating purposes	5,410	5,378	5,497	5,523
Fees and charges	29,273	21,902	32,690	21,760
Interest and dividends from investments	42,803	9,522	9,130	9,242
Local authorities fuel tax, fines, infringement fees and other receipts	1,190	7,180	1,511	7,002
Total operating funding (A)	160,009	124,729	127,352	121,465
Applications of operating funding				
Payments to staff and suppliers	95,571	90,218	94,904	89,354
Finance costs	5,128	6,935	5,703	7,917
Other operating funding applications	-	-	87	(234)
Total applications of operating funding (B)	100,699	97,153	100,694	97,037
Surplus (deficit) of operating funding (A - B)	59,310	27,576	26,658	24,428
Sources of capital funding				
Subsidies and grants for capital expenditure	5,778	5,261	5,447	4,876
Development and financial contributions	1,235	967	1,071	939
Increase (decrease) in debt	(0)	3,946	(3,650)	3,694
Gross proceeds from sale of assets	224	-	1,506	366
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	7,237	10,174	4,374	9,875
Applications of capital funding				
Capital expenditure:				
• to meet additional demand	1,538	3,333	1,802	2,920
• to improve the level of service	7,412	6,419	10,964	9,809
• to replace existing assets	24,643	23,834	20,237	22,742
Increase (decrease) in reserves	1,422	4,164	(1,971)	(1,168)
Increase (decrease) of investments	31,532	-	-	-
Total applications of capital funding (D)	66,547	37,750	31,032	34,303
Surplus (deficit) of capital funding (C - D)	(59,310)	(27,576)	(26,658)	(24,428)
Funding balance ((A - B) + (C - D))	-	-	-	-

**Other information to be provided Clause 5(4)
Local Government (Financial Reporting and Prudence) Regulations 2014**

Depreciation and amortisation expense				
Depreciation expense	32,807	32,567	30,795	31,613
less deferred/unfunded	(12,549)	(12,513)	(12,063)	(12,863)
Net funding transferred to renewals reserves	20,259	20,054	18,732	18,750

Funding Impact Statements

Funding Impact Statement

For Parks and Open Spaces

	Actual 2016/17 \$'000	LTP 2016/17 \$'000	LTP 2015/16 \$'000
Sources of operating funding			
General rates, uniform annual charges, rates penalties	13,076	13,525	13,078
Targeted rates	-	-	-
Subsidies and grants for operating purposes	24	17	30
Fees and charges	1,955	1,875	1,863
Internal charges and overheads recovered	91	228	223
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	15,147	15,645	15,194
Applications of operating funding			
Payments to staff and suppliers	9,535	9,511	9,268
Finance costs	290	328	286
Internal charges and overheads applied	2,714	4,448	4,326
Other operating funding applications	-	1	(1)
Total applications of operating funding (B)	12,539	14,288	13,879
Surplus (deficit) of operating funding (A - B)	2,608	1,357	1,315
Sources of capital funding			
Subsidies and grants for capital expenditure	338	-	-
Development and financial contributions	84	-	-
Increase (decrease) in debt	485	904	439
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	907	904	439
Applications of capital funding			
Capital expenditure:			
• to meet additional demand	36	129	126
• to improve the level of service	1,093	774	314
• to replace existing assets	960	1,012	1,991
Increase (decrease) in reserves	1,426	346	(677)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	3,515	2,261	1,754
Surplus (deficit) of capital funding (C - D)	(2,608)	(1,357)	(1,315)
Funding balance ((A - B) + (C - D))	-	-	-

Other information to be provided Clause 5(4) Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense			
Depreciation expense	2,261	1,841	1,785
less deferred/unfunded	50	(483)	(472)
Net funding transferred to renewals reserves	2,310	1,358	1,313

Funding Impact Statements

Funding Impact Statement

For Transportation

	Actual 2016/17 \$'000	LTP 2016/17 \$'000	LTP 2015/16 \$'000
Sources of operating funding			
General rates, uniform annual charges, rates penalties	11,136	12,006	11,573
Targeted rates	-	-	-
Subsidies and grants for operating purposes	3,743	3,958	4,013
Fees and charges	407	297	296
Internal charges and overheads recovered	-	31	31
Local authorities fuel tax, fines, infringement fees and other receipts	492	530	530
Total operating funding (A)	15,778	16,822	16,443
Applications of operating funding			
Payments to staff and suppliers	8,523	8,287	8,311
Finance costs	893	1,455	1,375
Internal charges and overheads applied	1,403	1,401	1,364
Other operating funding applications	-	-	-
Total applications of operating funding (B)	10,819	11,143	11,050
Surplus (deficit) of operating funding (A - B)	4,960	5,679	5,393
Sources of capital funding			
Subsidies and grants for capital expenditure	5,352	4,757	4,656
Development and financial contributions	191	-	-
Increase (decrease) in debt	1,116	1,206	1,217
Gross proceeds from sale of assets	2	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	6,660	5,963	5,873
Applications of capital funding			
Capital expenditure:			
• to meet additional demand	508	408	432
• to improve the level of service	1,942	1,646	1,655
• to replace existing assets	7,797	8,101	7,745
Increase (decrease) in reserves	1,373	1,487	1,434
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	11,620	11,642	11,266
Surplus (deficit) of capital funding (C - D)	(4,960)	(5,679)	(5,393)
Funding balance ((A - B) + (C - D))	-	-	-

Other information to be provided Clause 5(4)

Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense			
Depreciation expense	11,245	10,901	10,566
less deferred/unfunded	(5,721)	(5,306)	(5,253)
Net funding transferred to renewals reserves	5,523	5,595	5,313

Funding Impact Statements

Funding Impact Statement

For Stormwater Drainage

	Actual 2016/17 \$'000	LTP 2016/17 \$'000	LTP 2015/16 \$'000
Sources of operating funding			
General rates, uniform annual charges, rates penalties	1,751	1,585	1,640
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	8	14	14
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	1,759	1,599	1,654
Applications of operating funding			
Payments to staff and suppliers	532	459	543
Finance costs	139	138	132
Internal charges and overheads applied	292	359	352
Other operating funding applications	-	-	(2)
Total applications of operating funding (B)	963	956	1,025
Surplus (deficit) of operating funding (A - B)	796	643	629
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	11	-	-
Increase (decrease) in debt	236	122	67
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	247	122	67
Applications of capital funding			
Capital expenditure:			
• to meet additional demand	16	3	3
• to improve the level of service	231	119	65
• to replace existing assets	85	167	161
Increase (decrease) in reserves	711	476	467
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,043	765	696
Surplus (deficit) of capital funding (C - D)	(796)	(643)	(629)
Funding balance ((A - B) + (C - D))	-	-	-

Other information to be provided Clause 5(4) Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense			
Depreciation expense	2,431	1,710	1,672
less deferred/unfunded	(1,791)	(1,068)	(1,044)
Net funding transferred to renewals reserves	640	642	628

Funding Impact Statements

Funding Impact Statement

For Flood Protection and Control Works

	Actual 2016/17 \$'000	LTP 2016/17 \$'000	LTP 2015/16 \$'000
Sources of operating funding			
General rates, uniform annual charges, rates penalties	251	181	217
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)	251	181	217
Applications of operating funding			
Payments to staff and suppliers	35	141	140
Finance costs	12	18	18
Internal charges and overheads applied	72	12	12
Other operating funding applications	-	-	-
Total applications of operating funding (B)	120	171	170
Surplus (deficit) of operating funding (A - B)	132	10	47
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	5	11	(9)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	5	11	(9)
Applications of capital funding			
Capital expenditure:			
• to meet additional demand	-	-	-
• to improve the level of service	5	11	31
• to replace existing assets	5	11	31
Increase (decrease) in reserves	127	(1)	(24)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	136	21	38
Surplus (deficit) of capital funding (C - D)	(132)	(10)	(47)
Funding balance ((A - B) + (C - D))	-	-	-

Other information to be provided Clause 5(4)

Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense			
Depreciation expense	116	125	119
less deferred/unfunded	(116)	(115)	(112)
Net funding transferred to renewals reserves	-	10	7

Funding Impact Statements

Funding Impact Statement

For Solid Waste and Kerbside Collection

	Actual 2016/17 \$'000	LTP 2016/17 \$'000	LTP 2015/16 \$'000
Sources of operating funding			
General rates, uniform annual charges, rates penalties	-	-	-
Targeted rates	3,229	2,996	2,247
Subsidies and grants for operating purposes	(0)	-	-
Fees and charges	5,138	5,502	5,134
Internal charges and overheads recovered	629	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	8,996	8,498	7,381
Applications of operating funding			
Payments to staff and suppliers	6,444	4,757	4,568
Finance costs	50	259	154
Internal charges and overheads applied	1,151	1,802	1,781
Other operating funding applications	-	-	(2)
Total applications of operating funding (B)	7,645	6,818	6,501
Surplus (deficit) of operating funding (A - B)	1,351	1,680	880
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	220
Development and financial contributions	-	-	-
Increase (decrease) in debt	(60)	(29)	(56)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(60)	(29)	164
Applications of capital funding			
Capital expenditure:			
• to meet additional demand	-	-	-
• to improve the level of service	-	-	3,317
• to replace existing assets	378	-	101
Increase (decrease) in reserves	913	1,651	(2,374)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,291	1,651	1,044
Surplus (deficit) of capital funding (C - D)	(1,351)	(1,680)	(880)
Funding balance ((A - B) + (C - D))	-	-	-

**Other information to be provided Clause 5(4)
Local Government (Financial Reporting and Prudence) Regulations 2014**

Depreciation and amortisation expense			
Depreciation expense	585	325	243
less deferred/unfunded	(92)	-	-
Net funding transferred to renewals reserves	493	325	243

Funding Impact Statements

Funding Impact Statement

For Water Supply

	Actual 2016/17 \$'000	LTP 2016/17 \$'000	LTP 2015/16 \$'000
Sources of operating funding			
General rates, uniform annual charges, rates penalties	-	-	-
Targeted rates	10,389	10,619	10,258
Subsidies and grants for operating purposes	-	-	-
Fees and charges	275	283	313
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	10,664	10,902	10,571
Applications of operating funding			
Payments to staff and suppliers	3,320	3,556	3,605
Finance costs	1,224	1,934	1,721
Internal charges and overheads applied	2,141	1,981	1,951
Other operating funding applications	-	-	1
Total applications of operating funding (B)	6,685	7,471	7,278
Surplus (deficit) of operating funding (A - B)	3,979	3,431	3,293
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	586	-	-
Increase (decrease) in debt	(680)	2,409	1,068
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(93)	2,409	1,068
Applications of capital funding			
Capital expenditure:			
• to meet additional demand	47	3,352	757
• to improve the level of service	791	94	1,297
• to replace existing assets	1,252	1,520	1,825
Increase (decrease) in reserves	1,795	874	482
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	3,886	5,840	4,361
Surplus (deficit) of capital funding (C - D)	(3,979)	(3,431)	(3,293)
Funding balance ((A - B) + (C - D))	-	-	-

Other information to be provided Clause 5(4)

Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense			
Depreciation expense	4,120	4,254	4,134
less deferred/unfunded	(1,632)	(1,749)	(1,711)
Net funding transferred to renewals reserves	2,488	2,505	2,423

Funding Impact Statements

Funding Impact Statement

For Wastewater Treatment

	Actual 2016/17 \$'000	LTP 2016/17 \$'000	LTP 2015/16 \$'000
Sources of operating funding			
General rates, uniform annual charges, rates penalties	-	-	-
Targeted rates	13,246	13,648	13,220
Subsidies and grants for operating purposes	-	-	-
Fees and charges	2,339	1,958	1,943
Internal charges and overheads recovered	-	23	23
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	15,585	15,629	15,186
Applications of operating funding			
Payments to staff and suppliers	4,308	5,553	4,436
Finance costs	2,690	3,820	3,656
Internal charges and overheads applied	2,624	2,598	2,543
Other operating funding applications	-	-	1
Total applications of operating funding (B)	9,622	11,971	10,636
Surplus (deficit) of operating funding (A - B)	5,963	3,658	4,550
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	391	-	-
Increase (decrease) in debt	(879)	76	659
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(488)	76	659
Applications of capital funding			
Capital expenditure:			
• to meet additional demand	931	1,335	1,602
• to improve the level of service	893	1,126	1,440
• to replace existing assets	6,875	9,047	4,563
Increase (decrease) in reserves	(3,223)	(7,774)	(2,396)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	5,476	3,734	5,209
Surplus (deficit) of capital funding (C - D)	(5,963)	(3,658)	(4,550)
Funding balance ((A - B) + (C - D))	-	-	-

**Other information to be provided Clause 5(4)
Local Government (Financial Reporting and Prudence) Regulations 2014**

Depreciation and amortisation expense			
Depreciation expense	5,401	5,947	5,718
less deferred/unfunded	(3,216)	(3,735)	(3,653)
Net funding transferred to renewals reserves	2,184	2,212	2,065

Funding Impact Statements

Funding Impact Statement

For Emergency Management and Business Continuance

	Actual 2016/17 \$'000	LTP 2016/17 \$'000	LTP 2015/16 \$'000
Sources of operating funding			
General rates, uniform annual charges, rates penalties	516	482	471
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	17	1	1
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	533	483	472
Applications of operating funding			
Payments to staff and suppliers	499	353	346
Finance costs	-	-	-
Internal charges and overheads applied	125	129	126
Other operating funding applications	-	1	-
Total applications of operating funding (B)	624	483	472
Surplus (deficit) of operating funding (A - B)	(91)	-	-
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure:			
• to meet additional demand	-	-	-
• to improve the level of service	-	-	-
• to replace existing assets	-	-	-
Increase (decrease) in reserves	(91)	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(91)	-	-
Surplus (deficit) of capital funding (C - D)	91	-	-
Funding balance ((A - B) + (C - D))	-	-	-

**Other information to be provided Clause 5(4)
Local Government (Financial Reporting and Prudence) Regulations 2014**

Depreciation and amortisation expense			
Depreciation expense	-	-	-
less deferred/unfunded	-	-	-
Net funding transferred to renewals reserves	-	-	-

Funding Impact Statements

Funding Impact Statement

For Community Partnerships

	Actual 2016/17 \$'000	LTP 2016/17 \$'000	LTP 2015/16 \$'000
Sources of operating funding			
General rates, uniform annual charges, rates penalties	2,272	2,421	2,659
Targeted rates	-	-	-
Subsidies and grants for operating purposes	58	58	58
Fees and charges	980	1,087	998
Internal charges and overheads recovered	-	164	164
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	3,310	3,730	3,879
Applications of operating funding			
Payments to staff and suppliers	2,809	2,623	2,799
Finance costs	12	15	15
Internal charges and overheads applied	426	838	816
Other operating funding applications	-	-	-
Total applications of operating funding (B)	3,247	3,476	3,630
Surplus (deficit) of operating funding (A - B)	63	254	249
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	77	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	77	-	-
Applications of capital funding			
Capital expenditure:			
• to meet additional demand	-	-	-
• to improve the level of service	77	-	-
• to replace existing assets	102	93	113
Increase (decrease) in reserves	(39)	161	136
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	140	254	249
Surplus (deficit) of capital funding (C - D)	(63)	(254)	(249)
Funding balance ((A - B) + (C - D))	-	-	-

**Other information to be provided Clause 5(4)
Local Government (Financial Reporting and Prudence) Regulations 2014**

Depreciation and amortisation expense			
Depreciation expense	197	303	297
less deferred/unfunded	67	-	-
Net funding transferred to renewals reserves	264	303	297

Funding Impact Statements

Funding Impact Statement

For Govett-Brewster Art Gallery

	Actual 2016/17 \$'000	LTP 2016/17 \$'000	LTP 2015/16 \$'000
Sources of operating funding			
General rates, uniform annual charges, rates penalties	3,319	3,130	3,209
Targeted rates	-	-	-
Subsidies and grants for operating purposes	185	451	451
Fees and charges	485	272	216
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	3,990	3,853	3,876
Applications of operating funding			
Payments to staff and suppliers	2,993	2,595	2,639
Finance costs	-	-	-
Internal charges and overheads applied	1,382	1,112	1,084
Other operating funding applications	-	1	1
Total applications of operating funding (B)	4,375	3,708	3,724
Surplus (deficit) of operating funding (A - B)	(385)	145	152
Sources of capital funding			
Subsidies and grants for capital expenditure	58	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	78	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	135	-	-
Applications of capital funding			
Capital expenditure:			
• to meet additional demand	-	-	-
• to improve the level of service	78	-	-
• to replace existing assets	301	182	432
Increase (decrease) in reserves	(628)	(37)	(280)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(250)	145	152
Surplus (deficit) of capital funding (C - D)	385	(145)	(152)
Funding balance ((A - B) + (C - D))	-	-	-

**Other information to be provided Clause 5(4)
Local Government (Financial Reporting and Prudence) Regulations 2014**

Depreciation and amortisation expense			
Depreciation expense	462	152	149
less deferred/unfunded	(318)	-	-
Net funding transferred to renewals reserves	145	152	149

Funding Impact Statements

Funding Impact Statement

For Puke Ariki and District Libraries

	Actual 2016/17 \$'000	LTP 2016/17 \$'000	LTP 2015/16 \$'000
Sources of operating funding			
General rates, uniform annual charges, rates penalties	10,577	11,090	10,877
Targeted rates	-	-	-
Subsidies and grants for operating purposes	487	365	396
Fees and charges	423	436	432
Internal charges and overheads recovered	-	159	159
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	11,486	12,050	11,864
Applications of operating funding			
Payments to staff and suppliers	5,170	5,312	5,328
Finance costs	8	-	-
Internal charges and overheads applied	3,778	4,708	4,578
Other operating funding applications	-	1	1
Total applications of operating funding (B)	8,956	10,021	9,907
Surplus (deficit) of operating funding (A - B)	2,530	2,029	1,957
Sources of capital funding			
Subsidies and grants for capital expenditure	20	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	350	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	370	-	-
Applications of capital funding			
Capital expenditure:			
• to meet additional demand	-	-	-
• to improve the level of service	350	328	320
• to replace existing assets	1,251	1,466	1,153
Increase (decrease) in reserves	1,300	235	484
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	2,901	2,029	1,957
Surplus (deficit) of capital funding (C - D)	(2,530)	(2,029)	(1,957)
Funding balance ((A - B) + (C - D))	-	-	-

**Other information to be provided Clause 5(4)
Local Government (Financial Reporting and Prudence) Regulations 2014**

Depreciation and amortisation expense			
Depreciation expense	1,914	1,900	1,789
less deferred/unfunded	(33)	(352)	(313)
Net funding transferred to renewals reserves	1,882	1,548	1,476

Funding Impact Statements

Funding Impact Statement

For Venues and Events

	Actual 2016/17 \$'000	LTP 2016/17 \$'000	LTP 2015/16 \$'000
Sources of operating funding			
General rates, uniform annual charges, rates penalties	7,305	6,704	6,571
Targeted rates	-	-	-
Subsidies and grants for operating purposes	894	540	540
Fees and charges	3,534	2,329	2,279
Internal charges and overheads recovered	-	109	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	11,733	9,682	9,390
Applications of operating funding			
Payments to staff and suppliers	7,101	4,409	4,379
Finance costs	4	-	-
Internal charges and overheads applied	3,060	4,105	3,869
Other operating funding applications	-	-	1
Total applications of operating funding (B)	10,165	8,514	8,249
Surplus (deficit) of operating funding (A - B)	1,568	1,168	1,141
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	(28)	-	-
Increase (decrease) in debt	174	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	146	-	-
Applications of capital funding			
Capital expenditure:			
• to meet additional demand	-	-	-
• to improve the level of service	167	29	28
• to replace existing assets	1,039	1,381	1,080
Increase (decrease) in reserves	508	(242)	33
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,715	1,168	1,141
Surplus (deficit) of capital funding (C - D)	(1,568)	(1,168)	(1,141)
Funding balance ((A - B) + (C - D))	-	-	-

Other information to be provided Clause 5(4) Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense			
Depreciation expense	1,364	1,309	1,280
less deferred/unfunded	(57)	(266)	(260)
Net funding transferred to renewals reserves	1,307	1,043	1,020

Funding Impact Statements

Funding Impact Statement

For Regulatory Services

	Actual 2016/17 \$'000	LTP 2016/17 \$'000	LTP 2015/16 \$'000
Sources of operating funding			
General rates, uniform annual charges, rates penalties	3,697	2,591	2,183
Targeted rates	56	-	-
Subsidies and grants for operating purposes	19	17	35
Fees and charges	7,977	7,857	7,915
Internal charges and overheads recovered	-	770	763
Local authorities fuel tax, fines, infringement fees and other receipts	697	1,125	1,125
Total operating funding (A)	12,447	12,360	12,021
Applications of operating funding			
Payments to staff and suppliers	6,655	7,864	7,637
Finance costs	(0)	-	-
Internal charges and overheads applied	5,335	4,259	4,148
Other operating funding applications	-	(1)	-
Total applications of operating funding (B)	11,990	12,122	11,785
Surplus (deficit) of operating funding (A - B)	457	238	236
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	890	939
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	890	939
Applications of capital funding			
Capital expenditure:			
• to meet additional demand	-	-	-
• to improve the level of service	-	-	-
• to replace existing assets	25	53	156
Increase (decrease) in reserves	432	1,075	1,019
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	457	1,128	1,175
Surplus (deficit) of capital funding (C - D)	(457)	(238)	(236)
Funding balance ((A - B) + (C - D))	-	-	-

**Other information to be provided Clause 5(4)
Local Government (Financial Reporting and Prudence) Regulations 2014**

Depreciation and amortisation expense			
Depreciation expense	273	286	280
less deferred/unfunded	144	(49)	(45)
Net funding transferred to renewals reserves	417	237	235

Funding Impact Statements

Funding Impact Statement

For Economic Development

	Actual 2016/17 \$'000	LTP 2016/17 \$'000	LTP 2015/16 \$'000
Sources of operating funding			
General rates, uniform annual charges, rates penalties	2,928	2,850	2,803
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	90	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	3,018	2,850	2,803
Applications of operating funding			
Payments to staff and suppliers	3,041	2,789	2,744
Finance costs	-	-	-
Internal charges and overheads applied	55	60	59
Other operating funding applications	-	1	-
Total applications of operating funding (B)	3,095	2,850	2,803
Surplus (deficit) of operating funding (A - B)	(77)	-	-
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure:			
• to meet additional demand	-	-	-
• to improve the level of service	-	-	-
• to replace existing assets	-	-	-
Increase (decrease) in reserves	(77)	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(77)	-	-
Surplus (deficit) of capital funding (C - D)	77	-	-
Funding balance ((A - B) + (C - D))	-	-	-

**Other information to be provided Clause 5(4)
Local Government (Financial Reporting and Prudence) Regulations 2014**

Depreciation and amortisation expense			
Depreciation expense	-	-	-
less deferred/unfunded	-	-	-
Net funding transferred to renewals reserves	-	-	-

Funding Impact Statements

Funding Impact Statement

For Civic and Democracy Services

	Actual 2016/17 \$'000	LTP 2016/17 \$'000	LTP 2015/16 \$'000
Sources of operating funding			
General rates, uniform annual charges, rates penalties	5,668	5,946	5,800
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	137	143	3
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	5,804	6,089	5,803
Applications of operating funding			
Payments to staff and suppliers	2,259	2,456	2,129
Finance costs	-	-	-
Internal charges and overheads applied	3,190	3,732	3,626
Other operating funding applications	-	1	(1)
Total applications of operating funding (B)	5,449	6,189	5,754
Surplus (deficit) of operating funding (A - B)	356	(100)	49
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure:			
• to meet additional demand	-	-	-
• to improve the level of service	-	-	-
• to replace existing assets	-	-	-
Increase (decrease) in reserves	356	(100)	(49)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	356	(100)	(49)
Surplus (deficit) of capital funding (C - D)	(356)	100	49
Funding balance ((A - B) + (C - D))	-	-	98

**Other information to be provided Clause 5(4)
Local Government (Financial Reporting and Prudence) Regulations 2014**

Depreciation and amortisation expense			
Depreciation expense	-	-	-
less deferred/unfunded	-	-	-
Net funding transferred to renewals reserves	-	-	-

Funding Impact Statements

Funding Impact Statement

For Management of Investments and Funding

	Actual 2016/17 \$'000	LTP 2016/17 \$'000	LTP 2015/16 \$'000
Sources of operating funding			
General rates, uniform annual charges, rates penalties	(8,077)	(7,481)	(8,304)
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	5,518	-	-
Internal charges and overheads recovered	-	(24)	(24)
Local authorities fuel tax, fines, infringement fees and other receipts	42,803	15,091	14,589
Total operating funding (A)	40,244	7,586	6,261
Applications of operating funding			
Payments to staff and suppliers	5,169	3,989	3,977
Finance costs	(242)	322	322
Internal charges and overheads applied	942	1,125	1,056
Other operating funding applications	-	-	-
Total applications of operating funding (B)	5,870	5,436	5,355
Surplus (deficit) of operating funding (A - B)	34,374	2,150	906
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(2,653)	(688)	(488)
Gross proceeds from sale of assets	222	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(2,431)	(688)	(488)
Applications of capital funding			
Capital expenditure:			
• to meet additional demand	-	-	-
• to improve the level of service	-	-	251
• to replace existing assets	-	-	251
Increase (decrease) in reserves	410	1,462	(84)
Increase (decrease) of investments	31,533	-	-
Total applications of capital funding (D)	31,942	1,462	418
Surplus (deficit) of capital funding (C - D)	(34,374)	(2,150)	(906)
Funding balance ((A - B) + (C - D))	-	-	-

Other information to be provided Clause 5(4)

Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense			
Depreciation expense	-	28	28
less deferred/unfunded	-	-	-
Net funding transferred to renewals reserves	-	28	28





Council-controlled Organisations

The Council is a shareholder or has an ownership interest in the following Council-controlled organisations:

- New Plymouth Airport Joint Venture.
- Forestry joint ventures (three).
- New Plymouth PIF Guardians Limited.
- Tasmanian Land Company Limited (and its subsidiaries).
- Venture Taranaki Trust.

The following information explains what the organisations do and how their performance is measured.

New Plymouth Airport Joint Venture

Responsibility

Property Manager

Summary of 2016/17 Statement of Intent

The New Plymouth Airport is a 50:50 joint venture between the Crown and the Council and is therefore deemed to be a Council-controlled organisation (CCO). The Council holds the aerodrome operator's certificate and operates the airport on behalf of the joint venture.

The operation covers the provision, maintenance and operation of the land and facilities, including the runways and the terminal building, but excludes the control tower and navigational aids which are provided, maintained and operated by the Airways Corporation of New Zealand (ACNZ). Land not required for aircraft operations and the terminal is leased for hangars, aviation-related businesses and grazing.

The provision of airport infrastructure is essential to enhance the growth and economic development of the district and the Taranaki region and is an important aspect of residents' quality of life. The Council have recently approved a major terminal upgrade and expansion along with additional aircraft parking and upgrades to water and sewerage services. This proposed \$22m-28m package of capital expenditure is being funded entirely from airport revenue and is programmed for completion by mid-2019.

The Council has agreed to purchase the remaining 50 per cent of the airport from the Crown on 1 July 2017 for \$3.25m.

Performance results for 2016/17

Below are the key objectives and performance indicators derived from the 2016/17 Statement of Intent.

1. To provide airport facilities to serve the needs of the Taranaki region by:
 - Meeting all the operating, maintenance, capital expenditure and joint venture partners' interest costs from the revenue.
The operating costs \$1,928,549 (exec depreciation and land disposal), maintenance costs have been met from revenue. During the year a further advance of \$900,000 (2016: \$700,000) was given to the airport to assist in covering capital expenditure. The interest on the advance and loan have all been met from revenue.
 - Maintaining facilities to avoid any diversion or cancellation of scheduled flights other than for weather or airline problems.
Facilities have been maintained through the year and there were no divisions or cancellations of regular passenger transport services resulting from airport operations.



New Plymouth Airport Joint Venture

- Consultation with airlines and other stakeholders on the proposed runway extension from the current 1,310m to 1500m.

During the year the main emphasis has been the consultation process with the airlines in regards the new terminal project. It is proposed that consultation on the proposed runway extension will take place with all key stakeholders in due course.

- Complete detailed design of the terminal expansion project to enable final sign-off by the partners during the 2016 year, with a view to completion of construction by late 2018.

After several preliminary design changes, the Council approved progressing to developed and detailed design of a unique, culturally inspired new terminal. Full design will be completed late 2017 with construction commencing early 2018 and scheduled completion by the second quarter of 2019.

2. To operate the New Plymouth Airport in full compliance with the approved operating procedures so as to achieve a clean audit report from the Civil Aviation Authority.

The New Plymouth Airport Joint Venture operates under the Civil Aviation Rule Part 139 and is subject to audit by the CAA. Due to previous good audit results, the CAA did not carry out an audit during 2016/17. During the year the airport submitted its Safety Management System implementation (SMS) plan and is on target for full compliance with the CAA requirement mid-2018 – way ahead of the February 2021 deadline.

Significant policies and objectives on ownership and control

The joint venture was deemed to be a Council-controlled organisation rather than created as such. It is essentially seen as a self-funding operation providing an essential service to the district and wider region. There is no formal board structure but the Council fulfils this governance role.

Financial Plan

	Actual 2016/17 \$'000	Budget 2016/17 \$'000	Projected 2017/18 \$'000	Projected 2018/19 \$'000
Operating revenue	3,315	3,476	3,844	4,499
Operating expenditure	3,611	3,072	3,487	3,585
Net profit/(loss)	(296)	404	357	914



Forestry Joint Ventures

Responsibility

Property Manager

Summary of 2016/17 Statement of Intent

The Council has three joint venture forestry developments that have varying levels of Council ownership (55 to 60 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:

Tarata Ngatimaru Pukehou Joint Venture (60 per cent) - 6.8ha.

McKay Family Joint Venture (56.5 per cent) - 83.5ha.

Duthie Joint Venture (54.82 per cent) - 22.7ha.

A total of 113ha of forests are managed under joint venture agreements in which the landowner provides land and property related inputs, the Council provides management and tending programmes for the crop, and both parties share the returns from the forest harvest on an agreed ratio of respective inputs.

The Council's longer term objective for these investments is to review its involvement after each joint venture is harvested.

Performance results for 2016/17

1. Complete all programmes outlined in the Forest Management Plans and Agreements.
All programmes outlined in the Forest Management Plan for 2016/17 have been completed.
2. Report annually in compliance with agreements.
The joint venture forest has been inspected by PF Olsen Limited with reports sent to the owners annually.

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.

Financial Plan

	Actual 2016/17 \$'000	Budget 2016/17 \$'000	Projected 2017/18 \$'000	Projected 2018/19 \$'000
Council funding support	30	21	21	21

New Plymouth PIF Guardians Limited

Responsibility

Chief Financial Officer

Nature and scope of activities

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 the Council resolved to change the organisational architecture for the management of the perpetual investment fund (PIF) and move to a full outsourced model. The board of NPG appointed Mercer to manage the PIF.

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:

- a) to at least maintain the real capital of the PIF as a sustainable perpetual investment fund in the long term (the Founding Principle) whilst generating a sufficient return to maintain a sustainable release to the Council; and
- b) to ensure that the following principles underpin the operation of the PIF:
 - i) all investments are made on purely commercial terms; and
 - ii) the PIF will be managed on the basis of a prudent, commercial, diversified portfolio investment style and asset allocation, which manages risk to further the Founding Principle.

Significant policies and obligations on ownership and control

The performance of Mercer New Zealand Limited will be monitored and reviewed by NPG, a CCO with a board of highly experienced directors.

Financial Plan

	Actual 2016/17 \$'000	Budget 2016/17 \$'000	Projected 2017/18 \$'000	Projected 2018/19 \$'000
Operating revenue/expenditure	1,606	1,555	1,600	1,625
Net profit	-	-	-	-

Tasmanian Land Company Limited

Responsibility

Chief Financial Officer

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 three companies are referred to interchangeably. TLC is a Council-controlled trading organisation.

Performance results for 2016/17

During 2016/17 all but AU\$3m of cash was transferred from TLC to Mercer, who now manage the PIF. The remaining AU\$3m will be transferred to Mercer in 2017/18.

See table below for key financial results.

	Actual 2016/17 \$'000	Actual 2015/16 \$'000
Operating revenue	-	100,935
Net surplus after tax	565	34,700

Significant policies and objectives on ownership and control

This investment forms part of the Council's Perpetual Investment Fund and is subject to the policies and objectives for that fund.

Responsibility

Group Manager Strategy

Summary of 2016/17 Statement of Intent

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 for the Council, responsible for delivering the Council's active economic development 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 also has a multi-level mission, of:

"To drive and facilitate sustainable, diverse economic growth in Taranaki, positioning the region as the place to do business, to invest, to live, to work, to learn, and to visit."

"To be recognised as New Zealand's leading experts in regional economic development."

Performance results for 2016/17

In 2014 the Council adopted an Economic Development Strategy for New Plymouth District. This strategy, together with the Regional Economic Development Strategy "Taranaki 2035: Taranaki's Regional Economic Development Strategy 2010-2035", guides the annual objectives and performance measures. The trust's approach in 2016/17 also aligned closely with the key directions of the Council and other partners, particularly the Council's Blueprint.

Significant progress was made during the 2016/17 year on the Tapuae Roa: Make Way for Taranaki Strategy – an updated Taranaki Regional Economic Development Strategy. This will guide regional economic development for at least the next 10 years. The new strategy and action plan will guide the annual objectives and performance measures.

Venture Taranaki had a very successful year, as seen in the following results against the 2016/17 performance measures:

1. Improve connections within New Zealand and with the world

Relates to Team Taranaki priorities in the Regional Economic Development Strategy.

- Maintain a regional economic intelligence unit and publish bi-annually Taranaki Trends and business survey.
Achieved. Two editions of Taranaki Trends and two Business Surveys undertaken with results released.
- Undertake one Team Taranaki submission on a key regional issue.
Achieved. Submission on funding for Pouakai Crossing to Regional Development Minister resulting in \$3m fund.
- Maintain connections across www.taranaki.info and social media channels.
Achieved. Connections to www.taranaki.info made. Biz 2 Biz Facebook followers up 276 or 20 per cent. 'Taranaki Like No Other' Facebook followers up 6,028 or 15 per cent. Twitter followers up 390 or seven per cent. Instagram followers up 1,980 or 49 per cent.

2. Encourage enterprise and innovation in all areas of the economy

Relates to Foundation Taranaki priority in the Regional Economic Development Strategy.

- Facilitate \$500,000 investment into regional businesses subject to central government policy.
Achieved. \$1,515,399 (GST inclusive) of research and development and innovation funding facilitated into Taranaki business (across 36 transactions).
- Achieve >80 per cent client satisfaction in regard to business support services.
Achieved. 93.7 per cent client satisfaction with Venture Taranaki business services.

Venture Taranaki Trust

3. Capitalise on key clusters and economic advances

Relates to Frontier Taranaki priority in the Regional Economic Development Strategy.

- Support three key projects with high impact potential aligned with the regional growth agenda.
Achieved. Provide facilitation for Energy and Industrial group, facilitation for International Education Taranaki collective and partnership with Massey University to connect Taranaki businesses and organisations to Massey University expertise

4. Build and retain a highly skilled workforce

Relates to Talented Taranaki priority in the Regional Economic Development Strategy.

- Invest \$200,000 in management capability building for Taranaki small-to-medium enterprises subject to central government policy.
Achieved. \$376,085 of capability development voucher funding invested across 276 vouchers.

5. Promote our district as a desirable and unique place to visit, live and invest in

Relates to Desirable Taranaki priority in the Regional Economic Development Strategy.

- Attract or retain four major events meeting New Plymouth District Council criteria (>100 points) based on \$700k event fund.
Achieved. All Blacks vs Argentina 2017, BDO Around the Mountain Cycle Challenge 2018, Cat Stevens/ Yusuf – 'A Cats Attic-Peace Train Tour' 2017, ITU New Plymouth Sprint Triathlon World Cup 2017, McDonald's SuperSmash T20 cricket 2016, New Zealand Tattoo and Arts festival 2017, Phoenix vs Sydney Wanderers 2017, Powerco Taranaki Garden Spectacular 2017, PSP NZ Jetsprint Championship – Rounds 1 and 3, Taranaki International Arts Festival 2017, Taranaki Steelformers Around the Mountain Relay 2017, WOMAD 2017.
- Provide and distribute a minimum of six pieces of regional collateral to inspire the communities of Taranaki, visiting conferences, events and leisure travellers to explore and enjoy the many aspects of the region.
Achieved. Collateral includes Parks and Gardens, Museums and Galleries, A Walker's Guide, Taranaki's Must Dos, Forgotten World Highway, Surf Highway 45.
- Develop a Regional Taranaki Destination Strategy including agreed actions and targets for implementation in 2017/18.
Achieved. Draft strategy developed and to be integrated into Tapuae Roa regional economic development strategy.
- Support/attract a minimum of five conferences/events through either: assisting with bids; undertaking initiatives to maximise attendance or encouraging attendees to explore Taranaki.
Achieved. Assistance Provided to: Association Tax Agents New Zealand (ATAINZ), Association of Community Access Broadcasters Aotearoa New Zealand, New Zealand Property Investors, Rotary District Conference, New Zealand Dental Hygienists' Association, BMX New Zealand North Island Titles 2019 Oceania Champs 2019 (Bid).

Significant policies and objectives on ownership and control

The Council controls the Venture Taranaki Trust by appointing its trustees. 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.

Financial Plan

	Actual 2016/17 \$'000	Budget 2016/17 \$'000	Projected 2017/18 \$'000	Projected 2018/19 \$'000
Operating expenditure (NPDC funded)	2,850	2,820	2,859	2,916

Independent Auditor's Report

To the readers of New Plymouth District Council's annual report for the year ended 30 June 2017

The Auditor General is the auditor of New Plymouth District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

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

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

We completed our work on 10 October 2017. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 70 to 131:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2017;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 115, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the Council Services on pages 23 to 67:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2017, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 26 to 131, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's annual plan; and



Auditor's Report

- the funding impact statement for each group of activities on pages 116 to 131, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 16 to 19, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council's long term plan and annual plans.

Basis for opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

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

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



Auditor's Report

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

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

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

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

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 15, 68, 133 to 140, and 145 but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

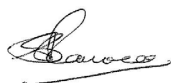
Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on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

Independence

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

Auditor's Report

In addition to our audit and our report on the disclosure requirements, we have carried out an independent assurance review of the District Council's Debenture Trust Deed, which is compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.



Clint Ramoo
Audit New Zealand
On behalf of the Auditor General
Wellington, New Zealand



Statement of Compliance and Responsibility

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 2017 fairly reflect the financial position, operations and service performance of New Plymouth District Council.



Neil Holdom
Mayor



Alan Bird
Acting Chief Executive



For more information:

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