



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

# Summary

# ANNUAL REPORT

# 2022/23



# **Welcome to NPDC's Annual Report for 2022/23**

**Naumai ki te Pūrongo ā-tau o NPDC mō 2022/23**

**This summary is a snapshot of our activities from 1 July 2022 to 30 June 2023. For more information on all our activities, including NPDC's financial health, please refer to the full Annual Report. Copies of the full Annual Report are available on request. Phone 06-759 6060 for a copy to be posted to you or read it online at [New Plymouth District Council \(npdc.govt.nz\)](https://www.npdc.govt.nz)**

**The information in this summary is taken from the audited Annual Report 2022/23 which was adopted by the Council on 31 October 2023.**



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# Mayor's Message

## Te Karere ā te Māngai ā-Kaunihera

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The 2022/23 financial year saw big economic and political changes for our district, which prompted us to recalibrate our priorities as we look to the future of our Sustainable Lifestyle Capital.

The election delivered four new councillors to our team, including our first-ever Te Purutanga Mauri Pūmanawa Māori Ward Councillor Te Waka McLeod. We also have a new community board for Puketapu-Bell Block giving residents more of a say in one of our fastest-growing communities.

It was a sign of how engaged our residents are that voter turnout in the New Plymouth District was 45.1 per cent, well ahead of the national average of 40.4 per cent, thanks to a nationally recognised marketing campaign from our team.

In March, Gareth Green joined as our new Chief Executive. Gareth's focus is to ensure we have an organisation aligned to our strategic framework with the capability to deliver on our objectives, to improve performance and adapt to the wide range of central government reforms, all with a current backdrop of global economic challenges, recession in New Zealand and a cost-of-living crisis.



We are an organisation focused on delivering on our core services, such as roads, rubbish and water. One of our most significant pieces of work relates to the development of an updated strategic framework and long-term plan.

International credit rating agency S&P Global has renewed NPDC's AA+ credit rating, again recognizing our ability to manage budgets and debt despite increased capital costs and the difficult economic climate.

The 2022/23 year highlighted how much support our residents need when times are tough, particularly with wild weather, such as Cyclone Gabrielle which skimmed past us in February and the downpours that drenched our district in the spring and autumn.

Our investments in sustainability and infrastructure are focused on a prosperous future for our rangatahi (youth).

Working with WITT-Te Pūkenga and other partners we were proud to open Te Kura Matahanganga industry training facility to help address the skills and capability gap in the civil construction sector.

We came closer to our Planting our Place goal of 10 per cent native tree coverage of our urban, helping to meet emissions targets as part of our Climate Action Framework.

Our \$248 million investment in Fixing our Plumbing over 10 years continued with work underway upgrading Waitara's stormwater system, new water pipes in Urenui and Bell Block and the cleaning up of Waitara's Tangaroa Stream. In April, we were pleased to see the Government adopt our preferred Taranaki three-waters entity, but we continue to advocate for a Crown guarantee that would help maintain and preserve our investment.

Another big win for our kids was the passing of legislation to ensure New Plymouth District's \$351m Perpetual Investment Fund (PIF) continues to benefit people living within the current district boundary. The PIF has offset rates to the tune of about \$260m since 2004, including \$10m in the 2022/23 year.

Creating a Sustainable Lifestyle Capital will always be a work in progress and your feedback is important to getting it right. We look forward to hearing what you have to say on this Annual Report.

Neil Holdom  
Mayor

# Chief Executive's Message

## Karere ā te Tumu Whakarae

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The last financial year was another challenging year for NPDC as it has been for many councils around the motu. It's clear that the pre-Covid business-as-usual model is no longer viable and, since stepping into the Chief Executive role in March, I've focused on structuring our team so that we can better meet the challenges we face now and those we anticipate in the years ahead.

Marrying up the expectations of residents with the reality of what we can deliver is always difficult, but the 2022/23 financial year pressed home how we need to change the way we deliver our services. So far, we've achieved 77 and mostly met another 10 out of our 108 non-finance KPIs for 2022/23, compared with 85 KPIs achieved the previous financial year.

Global inflationary pressures caused by Covid, supply chain issues and war in Europe as well as shortages of skilled people continued over the last financial year, hit operations from road maintenance costs to pool hours as we struggled to find enough trained lifeguards. In December we temporarily paused our involvement in the Tūparikino Active Community Hub to review the mounting costs and our \$40m contribution.

Managing our finances prudently has been a real challenge over the last year. We ended 2022/23 with a general rates deficit of \$1.35m, which compares well with the \$4.3m in 2021/22. We still have room for improvement, but we're also well-placed to manage \$4 billion in assets and an operating budget of \$192m.

Given the challenges over the 2022/23 year it was good to see this and other big projects getting over the line, such as central government funding, via Waka Kotahi, that will enable work to start on extending our Coastal Walkway from Waitara to Bell Block.

We also passed a milestone on the road to our new District Plan, the master plan that lays out what can be built and where across the district and sets out rules to protect our built and natural heritage. The Decisions Version of the plan took effect in May. Representing years of work by NPDC, tangata whenua, key stakeholders and the community, it is the first full e-plan decisions version in the country, emphasising our commitment to innovation and efficiency in the planning process.

Incorporating tangata whenua values and engagement, it's a great example of how we're setting benchmarks for pending resource management and other local government reforms in Taranaki. It places NPDC in a unique position to support and shape the region's future land-use planning, environmental regulation, infrastructure provision and responses to climate change.

While planning for the future, we also need to focus on continuous improvement of the things our residents value.

The independent Customer Survey in April and May showed rising satisfaction with NPDC events, venues, libraries and New Plymouth Airport, but it also showed we need to lift our game particularly around our community's aspirations and needs and how our rates are spent.

The team at Govett-Brewster Art Gallery put on 12 exhibitions during the 2022/23 year, compared with eight the year before, and saw visitor numbers rise from almost 64,000 to 84,500. Puke Ariki and the community libraries almost doubled their number of learning opportunities, including school programmes and raised their average weekly visitor numbers from about 9,600 to about 9,900.

The award-winning TSB Festival of Lights attracted a record 140,000 people over its five-week run and pumped \$8.3million into the Taranaki economy, according to independent analysis.

That's why this Annual Report is so important as it sets a benchmark by which we'll measure ourselves at the end of the 2023/24 year.

Gareth Green  
Chief Executive



# Our year in review

## He tirohanga whakamuri



The Len Lye Centre presented numerous international film festivals generating strong audiences and revenue.



NPDC buys 84 hectares of land near Onaero for the Urenui/Onaero wastewater project.



Construction of New Plymouth Transfer Station on Colson Road.



TSB Festival of Lights injects over \$8m into the Taranaki economy during summer.



NPDC' resealed 54km of urban and rural roads, renewed 1.5km of footpaths and metalled and graded 33km of unsealed roads during the year.



Election held, including establishment of the Puketapu-Bell Block Community Board and Te Pūrutanga Mauri Pumanawa (Māori Ward).



Nearing finalisation of our first District-wide Emissions Reduction Plan.



Fourteen new zero waste bin stations installed and promoted around the district.

# Our performance

## Ō mātou whakaaturanga

### How we performed against our targets for the year

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

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

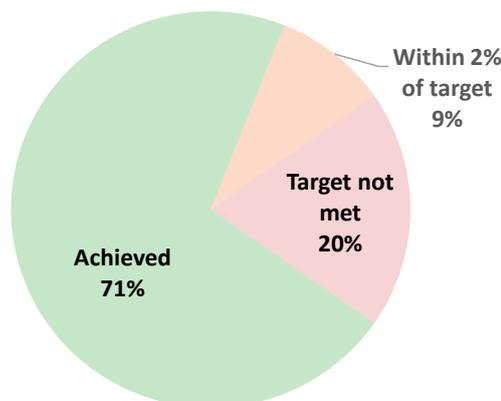
This year:

- We achieved the target for 77 measures.
- We substantially achieved the target for 10 measures.
- We did not meet the target for 21 measures.

Of the 21 performance measures that we did not achieve this year, seven could be considered to be associated with ongoing longer term challenges stemming from Covid restriction disruptions.

The remaining not achieved or substantially achieved were due to a variety of reasons including:

- Low satisfaction with animal control and the quality of the district's roads and urban landscapes and streets.
- Delays with responding to LGOIMA requests.
- High numbers of building and resource consents applications.
- Changes in Central Government Policy related to business investment grants.
- A low investment return.
- Complaints regarding the waste management and minimisation service.
- An abatement notice for a wastewater discharge.
- Larger actual data set available through Universal Water Meter project provided better representative consumption number than previous best estimates.



### Community satisfaction survey

NPDC contracted Research First to complete an independent survey of around 500 people about their satisfaction with our services over the previous year. Participants are representative of our district and statistically robust, providing results which have a margin of error of plus or minus 4.3 per cent at the 95 per cent confidence interval.

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

### In-house surveys

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

# Our performance

## Ō mātou whakaaturanga

### Summarising our performance



#### Community Partnerships



Three of the five community partnerships targets were met – 100 per cent of partners surveyed were satisfied with NPDC’s advice and involvement in community initiatives, all tenants were satisfied with Housing for the Elderly service, and three initiatives received start-up financial support (target 3). These initiatives were funding workshops for social enterprise, attracting the International Film Festival to New Plymouth and support for youth initiatives in Waitara.

The two targets we did not meet were the percentage of residents satisfied with NPDC’s advice and support to community groups (actual 89 per cent, target 90 per cent) and the percentage of key performance indicators achieved by recipients of NPDC’s grants (actual 91 per cent, target 95 per cent).



#### Customer and Regulatory Solutions



All animal control emergencies were responded to within the two hour target timeframe and all licencing inspections were done within accordance with statutory requirements.

However, consent applications targets of 100 per cent were not met – 83 per cent of building applications were processed within statutory timeframes and 78 per cent of non-notified resource management consents were processed within statutory timeframes. In addition, a number of historical applications and the introduction of Central Government Policy and working under two District Plans has affected achievement of these measures.

We were two per cent short of the 95 per cent target of known dogs registered, and 86 per cent of residents were satisfied with animal control activities (target 90 per cent).

We did not meet the target for providing an interim reply or resolving formal complaints within five working days, or for processing official information requests within statutory timeframes.



#### Economic Development



We exceeded all of our targets for promoting New Plymouth District and the Taranaki Region as a vibrant and desirable place to work, live, learn, play and invest. This was done through 11 initiatives to support investment into Taranaki (target five), over 1,800 engagements with visitor industry operators (target 1,000), 11 talent initiatives (target two) and attracting or retaining 20 major events (target four).

The level of annual investment in regional businesses was not achieved due to changes in government policy and reduction in grant funding. However, investment in management capability of Taranaki’s small and medium-sized business exceeded our target, as did the number of enterprise referrals and connections made by Venture Taranaki staff and 87 per cent of clients were satisfied with Venture Taranaki business support services (target >85 per cent).

# Our performance

## Ō mātou whakaaturanga



### Emergency Management and Business Continuance



Two of our targets were not achieved – the review and updating of emergency plans as per the exercise schedule and engaging with key community groups to establish a team that can deliver community based emergency response capability.

The remaining targets were met – we have 162 recruited and trained staff and volunteers (target 150), the NPDC Emergency Operations Centre is fit for purpose, we undertook two emergency exercises, we have seven Civil Defence centres identified (target six), assessed and with formal Memorandum(s) of Understanding.



### Flood Protection and Control Works



We maintained our major flood protection and control works.



### Governance



We achieved full compliance with meeting agendas and our elections and polls complied with statutory provisions. However, our Annual Report 2021/22 was not adopted within statutory timeframes due to resourcing constraints (this was a nationwide issue).



### Govett-Brewster Art Gallery/Len Lye Centre



All five of our targets were exceeded. We provided 12 exhibitions (target of seven) and welcomed 84,500 visitor entries to the gallery, well above the target of 65,000.

There were 84 audience engagement events (target 55) and 72 per cent of residents were satisfied with the service (target of 65 per cent).

The percentage of customers satisfied with the overall experience of the Govett-Brewster Art Gallery / Len Lye Centre was 89 per cent, above the target of 82 per cent.



### Management of Investments and Funding



We complied with debt level policy limits, but we did not meet the annual return target (3.3 per cent plus CPI plus management fees and costs) from the Perpetual Investment Fund (6.9 per cent achieved, target was 9.3 per cent).

# Our performance

## Ō mātou whakaaturanga

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### Parks and Open Spaces



We continue to have high resident satisfaction levels for the quality of parks and reserves, including the Coastal Walkway and Pukekura Park (actual 96 per cent, target 95), the quality of sports parks (actual 94 per cent, target 85 per cent), Brooklands Zoo (actual 96 per cent, target 90 per cent) and the quality of public toilets (actual 83 per cent, target 80 per cent).

However, resident satisfaction with the quality of the district's urban landscapes and playgrounds was down – 89 per cent (target 95 per cent) and 94 per cent (target 95 per cent) respectively.

The target of 80 per cent of households being within 500 metres of a park, reserve or neighbourhood open space was exceeded (actual result was 84 per cent).

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### Puke Ariki and Community Libraries



We exceeded our measure of the average number of customers per week visiting Puke Ariki and community libraries with 9,896 per week (approximately 300 more than the previous year). We provided free WiFi and access to online information using public computers and customer devices and 100 per cent of customers were satisfied with the i-SITE Visitor Information Centre.

Library collections available to meet community needs was 3.2 items per capita (target of 3 to 3.5 items per capita) and targets for refreshing of permanent galleries (one), temporary exhibitions (two) and additional exhibitions per year (four) were all met. We provided six digital product/experiences and other digital platform exhibitions to the heritage collection (target four). The 2,322 programmed learning opportunities exceeded the target (target 1,200), as did the number of participants attending (actual 43,705, target 29,000). Satisfaction with in-house programmes was 97 per cent (target 95 per cent).

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### Stormwater Management



We met all targets for Stormwater Management. There were no flooding events that impacted habitable floors, and therefore no habitable floors were affected.

We received less complaints about the performance of the Council's stormwater system than our measure (3.73 complaints per 1,000 properties connected, target eight or less). The median time for responding to a flooding event was 0.55 hours, under the target of one hour. We did not receive any abatement notices, infringement notices, enforcement orders or convictions.

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# Our performance

## Ō mātou whakaaturanga

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### Transportation



We did not achieve the reducing target for fatal or serious injury crashes on the our local roading network – there were 23 crashes, which was four more than the previous year.

We did not achieve our targets for providing good quality district roads – 85 per cent of our roads were measured as smooth travel exposure (target 89 per cent) and only 51 per cent of residents were satisfied with the overall quality of the district’s roads (target 85 per cent), however, this low result is affected by the condition of the state highways managed by Waka Kotahi.

Likewise, the target for resident satisfaction with the quality and safety of the cycle network was not met (actual 71 per cent, target 85 per cent).

The percentage of footpaths that met the required levels of service was 94 per cent (target >90 per cent). The percentage of footpath length recorded as failed was three per cent, which did not meet the target (target <1 per cent).

The roading and footpath related service requests responded to within target timeframes exceeded the target at 98 per cent (target 95 per cent).

The percentage of sealed local road network resurfaced was just above target at 4.7 per cent (target four per cent).



### Venues and Events



Although we did not meet the target of 1,000 events / bookings across all venues (949 events), we did exceed the attendee target with 301,816 attendees (target 280,000 attendees).

The 94 per cent of residents satisfied with NPDC’s events was just below the target of 95 per cent, and the percentage of residents satisfied with NPDCs events venues was met (actual 96 per cent, target 93 per cent).

The target for the number of pool patrons was not met (actual 362,837, target 390,000), and 92 per cent of residents were satisfied with NPDC’s swimming facilities (target 94 per cent). These figures may have been impacted by the earlier closure of community pools due to lack of staff and aging facilities.



### Waste Management and Minimisation



We did not receive any abatement notices, infringement notices, enforcement orders or convictions, meeting our targets for all four of these measures.

We achieved a three per cent reduction in total landfill waste generated per capita in the district and a one per cent reduction in landfill waste generated per household – these results were both short of the five per cent targets.

We did not meet the target of two or less complaints received (per 1,000 customers) about Council’s waste management and minimisation service (actual 2.72 complaints), this result was affected by collection delays due to staff shortages and vehicle breakdowns.

# Our performance

## Ō mātou whakaaturanga

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### Wastewater Treatment



There were 0.16 dry weather sewerage overflows (per 1,000 connections to the wastewater system), meeting the target of 1.5 or less.

The median response time to sewerage overflow callouts was within the target of one hour or less, as was the resolution time for overflow callouts for sewerage under 250mm diameter (2.02 hours, target four hours or less). There were no callouts for sewerage overflow for sewers greater than 250mm diameter.

The total number of complaints received about sewerage odour, system faults or blockages, or the Council's response to issues with the sewerage system was 5.38 per 1,000 connected properties, well under the measure of 13 or less.

We received one abatement notice (target 0), but did not receive any infringement notices, enforcement orders or convictions.

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### Water Supply



We achieved full compliance with Part 5 of the Drinking-water Standards (DWS). For Part 4, we achieved full compliance to 31 December 2022. From 1 January 2023, we were fully compliant with the DWS, however, we were not compliant with the Drinking-water Quality Assurance Rules. There was a 19 per cent real water loss from NPDC's networked reticulation system (target 20 per cent or less).

We achieved all the targets for responding to faults and unplanned interruptions to the water supply network in a timely manner.

There were 16.91 complaints (per 1,000 connections) received about our water supply service – just outside the target of 16 or less.

We did not receive any abatement notices, infringement notices, enforcement orders or convictions.

The average consumption of drinking water per day, per resident within New Plymouth District was 315 litres, this was above the 300 litres per day target.

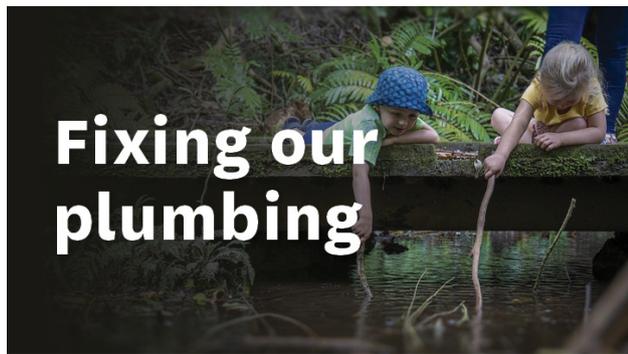
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# Delivering on our district's priorities

## Te whakataki o ō mātou whakaarotau ā-rohe

The Long-Term Plan (LTP) 2021-2031 outlined the key challenges facing our district. For the 2022/23 year population growth was addressed through the provision of growth infrastructure (we delivered \$9.04m growth capital expenditure of the \$10.27m planned) along with ongoing planning including the notification of the decisions on the new Proposed District Plan in May 2023. The continuing impacts of central government Covid-19 related decisions is reflected in seven of the 21 Council services key performance indicators that have not been met for the year. There were also impacts on the capital expenditure work programme deliverability as a result of ongoing supply chain disruptions and high inflation pressures. Work related to the Council's Climate Action Framework continued through the year including the hearing of submissions on the draft Emissions Reduction Plan with interim deliberations requiring further ongoing work before finalisation. The Three Waters reform programme of central government continued with NPDC continuing to respond as required.

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



### Fixing our plumbing

#### Looking after our existing assets

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

This last year we spent \$4.8m renewing 5,000 metres of water pipes across the district. We spent \$1.03m lining 1,038 metres of sewers to extend their life and prevent groundwater infiltrating into the network. We spent \$609,000 on backflow preventers and other customer equipment to protect our water supply.

Design work was completed for a range of sewer replacements throughout the district.

We completed the Waiwaka Stormwater Culvert renewal.

#### Conserving your water

Materials procurement and construction contracts were agreed for the installation of water meters with installation commencing in August 2022. By year's end we had spent and \$6.3m of capital expenditure spent in 2022/23.

Approximately 7,000 meters (27%) were installed by 30 June 2023 and forecasted to reach 18,000 (70%) by 30 June 2024. We have commenced analysis of the data obtained from the readings of installed meters to identify and resolve leakages.

#### Improving stormwater management in Waitara

We have focused on three projects this year.

The Tangaroa Stream Restoration Project is currently progressing in two stages: the upper catchment stream restoration works where physical works are well advanced and the lower catchment remedial works which are in the detailed design phase. This project (co-funded by Ministry for the Environment) has involved extensive cooperation with local hapū and will reduce flooding in this area.

Another focus has been addressing flooding issues in the upper Waiari catchment. Work is well underway installing a large stormwater pipe to reduce flooding in east Waitara by diverting high flows from the Waiari Stream to the Waitara River. Construction of the last section of this pipe system is expected to commence in late 2023. This project has been undertaken in partnership with Waka Kotahi as part of the Princess Street/SH3 intersection upgrade. This approach has provided cost savings and is minimizing disruption.

The last project is the development of a Waitara Stormwater Catchment Management Plan (CMP). The Watercourse Assessment and Contaminant Load Modelling are completed with the development of the CMP underway. The CMP will outline a vision for the future management of stormwater in Waitara.

# Delivering on our district's priorities

## Te whakataki o ō mātou whakaarotau ā-rohe



### Greening our place

#### Extending our tracks and trails network

Progress has been made through the 2022/23 year on a number of tracks and trails network projects.

The Waitara to Bell Block Walkway extension business case has been approved by Waka Kotahi, securing their share of the funding to construct the 10km of pathway. Through a co-design process with hapū and iwi Council is progressing with the detailed design and consenting for stage 1; construction of the pathway. This will start in summer at Marine Park - Otupaiia and then work its way along West Beach to Brown Road.

The Kaitake Trail project is in the process of a strategic re-set to better align with the cultural and ecological values associated with the landscape in which the project is located. This will include exploring with hapū and other stakeholders how best to re-establish collaborative project objectives; and also a review of the costs to ascertain whether the project still fits within the currently approved budget.

The Taranaki Traverse Waiwhakaihō section has established a working group that includes the two iwi and six hapū that have relationships with this awa. The intent is to establish co-created principles and scope of work for the establishment of a corridor of restored riparian margin and recreation along the 30km of the Waiwhakaihō corridor, providing a Maunga to sea connection.

In addition to the key projects above, work continues to develop new walking and cycling connections through subdivision development within a range of growth areas and townships, including Inglewood, Bell Block, Patterson Road and Oākura.

The walking and cycling connection between Ahu Ahu and Weld Road now includes the re-establishment of the swing bridge across the Whenuariki stream that was destroyed by a storm. Detailed design and consent applications have been progressed accordingly over the last year with build of both bridge and walkway expected in autumn 2024.

#### Rolling out our Climate Action Framework

The Climate Action Framework programme of work was realigned in 2022/23 to meet national plans and strategies, namely the first National Emissions Reduction Plan and National Adaptation Plan.

This year NPDC completed consultation on its draft District-wide Emissions Reduction Plan. The draft Plan pulled together the national and regional context to reduce emissions to meet nationally set targets of net zero carbon emissions by 2050. NPDC worked with sector decarbonisation specialists to inform evidence-based options to reduce organisational emissions, which were included in the consultation of the draft Plan. NPDC reviewed the feedback from the community on the draft Plan, and made a range of decisions on it, including to strengthen the draft Plan's action on initiatives to reduce community emissions, including interim targets and a new governance framework for monitoring progress. The final Plan is set to be adopted in the next financial year.

Action on the draft District-wide Adaptation Plan has been delayed due to resourcing constraints and because NPDC has been awaiting the Climate Change Adaptation Bill to be introduced to Parliament (which has been delayed several times by the Government).

# Delivering on our district's priorities

## Te whakataki o ō mātou whakaarotau ā-rohe

### Planting Our Place

Progress on delivery of Council's vision for being the first City in New Zealand to meet the 10 per cent urban habitat cover identified within the National Policy Statement for Indigenous Biodiversity continues at pace. The aim is to plant 34 hectares of urban reserve land over a 20-year programme of work, with the first 10 years funded. This means a target of 1.7 hectares per year.

The work programme for the last year has included ongoing maintenance of 2.9 hectares of planting carried out in the previous year. In the autumn/winter planting season of 2022/23 the yearly target was exceeded with a total of 2.9 hectares of planting on Council reserves was undertaken including Mangapouri Cemetery stage two, Peringa Park A, Rimu Street, Audrey Gale, Waiwhakaiho Kaipi B and the new Kurapete reserve in Inglewood.

Much of the work has included working alongside hapū and community groups and for the first time public planting days were a feature of the planting work with two successful days at Peringa Park and Inglewood.

The number of applications to Te Korowai o Tane grant increased and six grants were given out totaling over \$21,000. Groups receiving grants included Westtown Golf Club, Kaimata, Fitzroy, Oākura and Bell Block Schools and New Plymouth Girls High School.



### Building a multi-sport hub

Tūparikino Active Community Hub (the Hub) is a proposed multi-sport and active recreation community facility to be located in the heart of New Plymouth's recreation precinct. The Hub project was initially proposed to address the facility needs of various sports codes throughout New Plymouth, with a community well-being component added to the scope of the project.

Concept design and planning for the Hub continued with Ngāti Tūparikino, Ngāti Te Whiti, and Sport Taranaki. Towards the end of the year the Council determined to pause any construction and continue required planning to allow a reconsideration of the project as an integral part of the LTP 2024-2034.

# Financial summary

## Whakarāpopototanga ā-pūtea

### Overall results at a glance

NPDC recorded a deficit of \$14.4m compared to a budget surplus of \$16.5m. There were several drivers that have contributed to this variance. Note 2 of the Annual Report on page 82 outlines the key items behind this significant variance, which can be categorised into two main groups: non-cash items largely outside of our control (\$11m) and cash items that emerged as unexpected budget outliers (\$20m).

On the non-cash side, asset values changed, causing higher depreciation, impairment, and losses in forestry and property plan and equipment. But we also had some good news with higher investment gains in the Perpetual Investment Fund (PIF) and with proceeds received from the closure of the Tasmanian Land Company.

Cash-wise, we faced unexpected costs, such as changes in the accounting treatment for Software as a Service, elevated maintenance expenses due to increased cost of materials, increased spending on security and support to hardware and software applications, as well as various other operating cost increases. These factors, combined with higher interest costs and lower consents revenue and fees and charges, contributed to the deficit.

### Operating revenue

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

The diagram on the right displays the various income sources, showing that in 2022/23 rates accounted for 56 per cent of NPDC's funding, with fees, charges and other revenue coming second at 18 per cent.

Council's operating revenue was in line with budget. Higher investment gains on the PIF contributed against lower than expected revenues from resource consents, fees and charges and vested assets. The residential median rate (including GST) was increased by 5.4 per cent, also in line with budget.



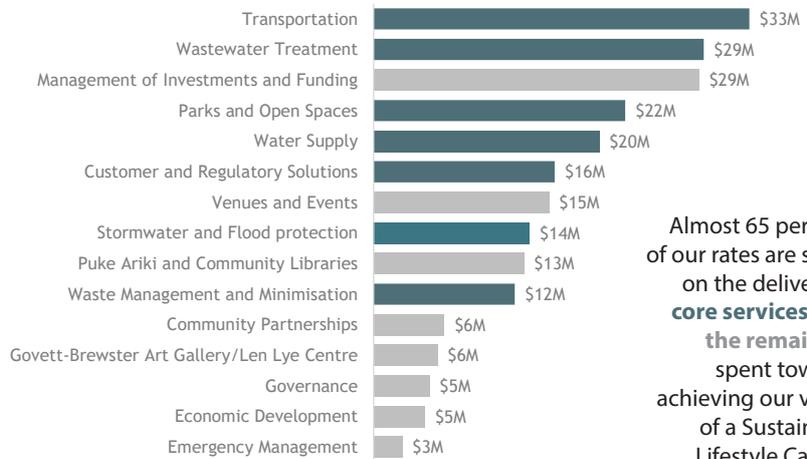
# Financial summary

## Whakarāpopototanga ā-pūtea

### Operating expenditure

Operating expenditure of \$225.1m is \$30.8m higher than budget. There are two main reasons for this: things beyond our control, like asset revaluations and lower vested assets, and unexpected expenses we didn't plan for. The graph below shows where the money was spent by NPDC activity, and highlights the expenditure over our core functions.

Operating expenditure by activity (in millions)

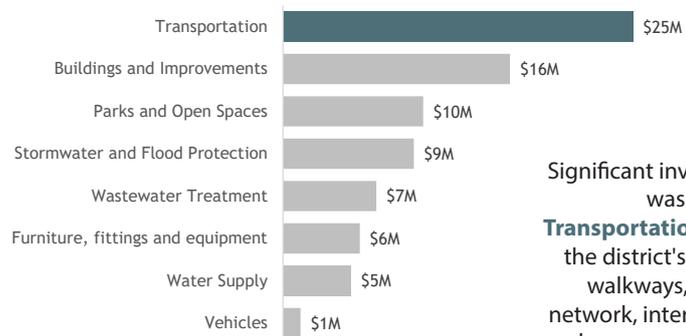


Almost 65 per cent of our rates are spent on the delivery of **core services** with the remainder spent towards achieving our vision of a Sustainable Lifestyle Capital.

### Capital expenditure

During the year NPDC added \$80m of new assets through its renewal and capital works programme. This covered all activities within our district. The graph below shows the breakdown of capital expenditure by category.

Capital expenditure by activity (in millions)



Significant investment was made in **Transportation** across the district's bridges, walkways, roading network, intersections and emergency works.

### Borrowings

In 2022/23 NPDC raised an additional \$60m in borrowings. This was in line with budget and a reflection of the increased capital expenditure during the year. The graph below shows the Council's debt levels over the past three years.

Council borrowings (in millions)



# Financial summary

## Whakarāpopototanga ā-pūtea

### Summary Statement of Comprehensive Revenue and Expense for the year ended 30 June 2023

	COUNCIL			GROUP	
	2022/23 Actual \$'000	2022/23 Budget \$'000	2021/22 Actual \$'000	2022/23 Actual \$'000	2021/22 Actual \$'000
Rates revenue	117,562	117,440	110,387	117,460	110,301
Perpetual Investment Fund (gains)	24,321	20,910	3,824	24,321	3,824
Other revenue	69,063	72,560	77,892	80,738	85,059
<b>Total operating revenue</b>	<b>210,946</b>	<b>210,910</b>	<b>192,103</b>	<b>222,519</b>	<b>199,184</b>
Interest costs	9,671	6,860	6,468	9,672	6,468
Perpetual Investment Fund (direct expenses)	2,572	1,269	2,639	2,572	2,639
Other expenses	212,905	186,241	177,640	222,030	185,269
<b>Total operating expenditure</b>	<b>225,148</b>	<b>194,370</b>	<b>186,747</b>	<b>234,274</b>	<b>194,376</b>
Share of joint venture surplus	(237)	-	1	(237)	1
<b>(Deficit)/surplus before taxation</b>	<b>(14,439)</b>	<b>16,540</b>	<b>5,357</b>	<b>(11,992)</b>	<b>4,809</b>
Income tax (expense)/refund	-	-	-	(754)	110
<b>(DEFICIT)/SURPLUS AFTER TAXATION</b>	<b>(14,439)</b>	<b>16,540</b>	<b>5,357</b>	<b>(12,746)</b>	<b>4,919</b>
Gain/(loss) on property, plant and equipment revaluations	(7,984)	-	484,863	(2,870)	490,108
Financial assets fair value movement (could be reclassified to surplus/(deficit))	(21)	-	111	(21)	111
<b>Total other comprehensive revenue and expense</b>	<b>(8,005)</b>	<b>-</b>	<b>484,974</b>	<b>(2,891)</b>	<b>490,219</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>	<b>(22,444)</b>	<b>16,540</b>	<b>490,331</b>	<b>(15,637)</b>	<b>495,138</b>

### Summary Statement of Financial Position as at 30 June 2023

	COUNCIL			GROUP	
	2022/23 Actual \$'000	2022/23 Budget \$'000	2021/22 Actual \$'000	2022/23 Actual \$'000	2021/22 Actual \$'000
Current assets	353,248	402,810	308,564	359,829	310,083
Non-current assets	3,577,420	3,288,510	3,575,941	3,591,191	3,585,487
<b>Total assets</b>	<b>3,930,668</b>	<b>3,691,320</b>	<b>3,884,505</b>	<b>3,951,020</b>	<b>3,895,570</b>
Current liabilities	134,548	116,490	95,057	136,715	97,788
Non-current liabilities	191,820	224,570	162,704	196,629	164,469
<b>Total liabilities</b>	<b>326,368</b>	<b>341,060</b>	<b>257,761</b>	<b>333,344</b>	<b>262,257</b>
<b>TOTAL EQUITY/NET ASSETS</b>	<b>3,604,300</b>	<b>3,350,260</b>	<b>3,626,744</b>	<b>3,617,676</b>	<b>3,633,313</b>

### Summary Statement of Changes in Net Assets/Equity for the year ended 30 June 2023

	COUNCIL			GROUP	
	2022/23 Actual \$'000	2022/23 Budget \$'000	2021/22 Actual \$'000	2022/23 Actual \$'000	2021/22 Actual \$'000
<b>Equity at the beginning of the year</b>	<b>3,626,744</b>	<b>3,333,720</b>	<b>3,136,413</b>	<b>3,633,313</b>	<b>3,138,175</b>
Total comprehensive revenue and expense	(22,444)	16,540	490,331	(15,637)	495,138
<b>EQUITY AT THE END OF THE YEAR</b>	<b>3,604,300</b>	<b>3,350,260</b>	<b>3,626,744</b>	<b>3,617,676</b>	<b>3,633,313</b>

# Financial summary

## Whakarāpopototanga ā-pūtea

### Summary Statement of Cash Flows for the year ended 30 June 2023

	COUNCIL			GROUP	
	2022/23 Actual \$'000	2022/23 Budget \$'000	2021/22 Actual \$'000	2022/23 Actual \$'000	2021/22 Actual \$'000
Net cash flows from operating activities	23,373	37,990	18,635	26,247	20,877
Net cash flows from investing activities	(73,547)	(79,630)	(26,723)	(74,835)	(27,613)
Net cash flows from financing activities	60,142	47,190	-	60,142	-
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS AT 1 JULY</b>	<b>9,968</b>	<b>5,550</b>	<b>(8,088)</b>	<b>11,554</b>	<b>(6,736)</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JULY</b>	<b>35,971</b>	<b>18,750</b>	<b>44,059</b>	<b>39,602</b>	<b>46,338</b>
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>45,939</b>	<b>24,300</b>	<b>35,971</b>	<b>51,156</b>	<b>39,602</b>

### Summary accounting policies

Part 6 section 98 of the Local Government Act 2002 (LGA) requires the New Plymouth District Council (the Council) to make publicly available a summary of the information contained in its Annual Report. The specific disclosures included in the summary financial report have been extracted from the full financial report adopted by the Council on 31 October 2023. However, the summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding.

The Council is a territorial authority, domiciled in New Zealand. It is governed by the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002 (LG(R)A).

The Council's primary objective is to provide goods or services and benefit for the community rather than making a financial return. Accordingly, the Council designates itself and the Group as public benefit entities (PBEs). The full financial statements on which these summary financial statements have been based were prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), applying Tier 1 PBE Accounting Standards. These summary accounts comply with PBE FRS 43 Summary Financial Statements.

The financial statements are presented in New Zealand Dollars (NZD) and all values are rounded to the nearest thousand dollars (\$000), unless otherwise stated.

The summary has been examined for consistency with the full annual report and was audited by Audit New Zealand on behalf of the Auditor-General. The audited information received an unmodified audit opinion on 21 November 2023.

# Financial summary

## Whakarāpopototanga ā-pūtea

### Summary additional disclosures

Explanations for major budget variances from the Council budget figures in the Long-Term Plan 2021-2031 are shown in the table below. The table variances are from the detailed breakdown in note 2 of the full Annual Report.

### Statement of Comprehensive Revenue and Expense

	Council Actual \$'000
<b>BUDGET - SURPLUS BEFORE TAX</b>	<b>16,540</b>
Variances are made up of :	
Non-cash items:	
• Higher investment gains, mainly in the Perpetual Investment Fund	4,765
• Higher gains on derivatives revaluation	2,267
• Tasmanian Land Company final distribution and dividend	1,030
• Higher depreciation due to revaluation of assets in 2021/22	(6,170)
• Property, plant and equipment impairment	(3,801)
• Asset disposals	(3,237)
• Lesser vested assets	(2,599)
• Loss on revaluation of assets	(1,934)
• Lower Waitara Lands Acts gains and distributions	(688)
• Unbudgeted forestry revaluation loss	(577)
Operating items:	
• Higher subsidies and grants	835
• Maintenance on assets vested to other entities	(4,851)
• Increased activity maintenance and direct costs	(3,053)
• Lower fees and charges	(3,051)
• Higher net finance costs due to increasing interest rates	(1,942)
• Higher security, internet and support to hardware and software systems and applications	(1,927)
• Software as a service budgeted as capex but expensed as per accounting requirements	(1,924)
• Lower consenting revenue	(1,469)
• Other net operating costs increases	(1,375)
• Higher personnel and staff costs	(1,278)
<b>ACTUAL - (DEFICIT) BEFORE TAX</b>	<b>(14,439)</b>

# Financial summary

## Whakarāpopototanga ā-pūtea

### Statement of Financial Position

	Council Actual \$'000
<b>BUDGET - TOTAL NET ASSETS</b>	<b>3,350,260</b>
Lower opening balance for return on investments	(51,940)
Net decrease in derivatives liability due to fair value gains in hedged instruments	29,360
Timing of budget projections for CCOs borrowings	3,464
Higher than budgeted Property, Plant and Equipment revaluation movement off-set by lower than budgeted capital expenditure	262,156
Lower Waitara Lands Act sales	(8,117)
Higher cash on hand at year end	21,649
Net change across several items	(2,532)
<b>ACTUAL - TOTAL NET ASSETS</b>	<b>3,604,300</b>

### Contingent liabilities

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

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

#### *Emissions Trading Scheme (ETS)*

The Council has 235.9 hectares (2021/22: 235.9 hectares) of pre-1990 forest land determined under the Climate Change Response Act 2002 (CCR). Under the ETS, the Council will incur financial penalties should the land be deforested as defined by CCR. There were 6.3 hectares harvested in 2023/23 due to wind damage (2021/22: no harvest). There is a four year stand down period allowed between harvest and replanting. The Council intends to replant the area in native trees in line with Council's Planting our Place programme. It is anticipated that the ETS gained from the various Planting our Place programme will be sufficient to cover any potential ETS liability and therefore, the Council does not consider that it has a contingent liability in relation to this matter.

#### **Local Government Funding Agency (LGFA)**

The Council is a shareholder and guarantor of the LGFA. The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. The financial strength of LGFA was reaffirmed by Fitch Ratings who maintained the LGFA domestic currency credit rating at 'AA+' in October 2023 while the 'AAA' rating from S&P Global Ratings remains the same as the New Zealand Government.

The Council is one of 30 local authority shareholders and 70 local authority guarantors of the LGFA. The aggregate amount of uncalled shareholder capital is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of LGFA's borrowings. This is based on the Council's rates as a proportion of the total rates for all guaranteeing local authorities. At 30 June 2023 LGFA had borrowings totalling \$17.7b (2021/22: \$15.8b).

Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that the Council is not aware of any local authority debt default events in New Zealand and local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

# Financial summary

## Whakarāpopototanga ā-pūtea

### *RiskPool*

RNPDC was previously a member of the RiskPool scheme. The Scheme is in wind down, however, NPDC has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that RiskPool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). RiskPool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

A call for \$100,000 was made by the board of Civic Liability RiskPool during the year to 30 June 2019. Further calls may be required until the RiskPool is wound up. No call was made during the year to 30 June 2023 (2021/22: \$nil).

### *Event underwriting*

In May 2021 Council entered into an agreement to underwrite the Taranaki Arts Festival Trust for an one off payment up to \$1.9m in case of a pandemic related cancellation of WOMAD between 2022 and 2026 inclusive. The underwrite is for a period of five years.

The cancellation of the 2022 WOMAD was funded by Central Government and no claims were made against the current agreement as at 30 June 2023.

### *Weather events*

A large slip occurred on Council owned reserve land as a result of heavy rainfall events in July 2022, which has affected adjoining land owners' property. Council has completed a range of legal and geotechnical assessments and decided not to contribute to remediation of the slip. It is currently too early to determine whether any formal claim will be made against Council as a result, and what the financial exposure might be.

### *Reasonable care*

It is claimed that Council has not exercised reasonable skill and care and is liable for costs to remediate construction defects and associated damage to a residential building. A Statement of Defence was filed on 1 September 2023. Site inspections due in November 2023 will further inform Council's position.

### *Resource consent*

Waiver of charges and reimbursement of allegedly unreasonable costs incurred was sought as part of processing a resource consent application relating to development of a site. Discussions continue with the developer with the intention of resolving the matter without formal proceedings.

There are no other known material contingent liabilities as at 30 June 2023 apart from the disclosed above (2021/22: nil).

### *Contingent assets*

There are no known material contingent assets as at 30 June 2023 (2021/22: nil).

# Financial summary

## Whakarāpopototanga ā-pūtea

### Events occurring after the balance date

#### *Three Waters Reform*

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes 10 publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

As part of the Three Waters Reform, the Government has provided a 'Better Off' Funding package, to be released in two tranches. Council approved applying for \$7.9m in the first tranche at a Council meeting on 27 September 2022. The second tranche of funding is \$24.9m and will be available to Council from 1 July 2024, however application towards this funding is yet to be determined as part of the Long-Term Plan 2024-2034. Accepting the funding does not commit Council to support the Three Waters Reform but does bring obligations to provide information to the Department of Internal Affairs for the transition due to enactment of the Water Services Entities Act noted above.

### Independent Auditor's Report

#### To the readers of New Plymouth District Council and group's summary of the annual report for the year ended 30 June 2023

The summary of the annual report was derived from the annual report of the New Plymouth District Council and group (the District Council and group) for the year ended 30 June 2023.

The summary of the annual report comprises the following information on pages 7 to 23:

- the summary statement of financial position as at 30 June 2023;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended 30 June 2023;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of non-financial performance measures.

### Opinion

In our opinion:

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

### Summary of the annual report

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

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

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

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2023 in our auditor's report dated 31 October 2023.

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to Note 28 to the full annual report outlining developments in the Government's water services reform programme. The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three water services and related assets and liabilities currently controlled by local authorities. Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the District Council remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

This matter is disclosed on page 23 of the summary financial statements.

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

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

# Auditor's Report

## Pūrongo Kaiarotake Pūtea

### Auditor's responsibility

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

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

In addition to our audit and our report on the disclosure requirements we have performed a limited assurance engagement related to the District Council's debenture trust deed. This engagement is compatible with those independence requirements.

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



Debbie Perera,  
Audit New Zealand  
On behalf of the Auditor-General  
Palmerston North, New Zealand  
21 November 2023



Contact NPDC

P: 06-759 6060 E: [enquiries@npdc.govt.nz](mailto:enquiries@npdc.govt.nz)



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