



Te Kaunihera-ā-Rohe o Ngāmotu

New Plymouth
District Council

ANNUAL PLAN

2022/23



This document is NPDC’s Annual Plan for the 2022/23 financial year.

It outlines exceptions for the 2022/23 year from the Long-Term Plan 2021-2031, and is intended to be read alongside that document. This document does not provide an exhaustive list of all of Council’s projects for 2022/23; however it does provide an overview of our key priorities and projects for the year.

Contents

Our Plan

Mayor and Chief Executive’s message	2
Our Sustainable Lifestyle Capital Vision	3
The risks to this Annual Plan	4
What’s coming up - key projects for 2022/23	5
Key project changes from Year 2 of our Long-Term Plan 2021-2031	6
Financial summary	7

Financial Information

Prospective Statements	12
Statement of Accounting Policies	14
Notes to the Prospective Statements	14
Reserve Funds.....	16
Disclosure Statement.....	18
Rates Information.....	19
Funding Impact Statement.....	27
Reconciliation Summary.....	28



Mayor and Chief Executive's message

While uncertainty is the new normal, both in Taranaki and around the world, our job is to create a stable platform on which our community can rely and thrive. Our Annual Plan is our map for the coming financial year as we forge ahead developing our Sustainable Lifestyle Capital where our children will want to live, work learn and play.

With Covid now into its third year in Aotearoa we have to modify our expectations and respond to the volatile economic conditions while working to deliver the plans developed with our community. Our focus is to prudently manage more than \$3.7 billion of public assets for our people and we recognise that hitting all of our goals in the current environment will simply not be possible.

Covid and border closures, war in Europe, the disruption of the world energy network and inflation are some of the global issues that have rippled around the world to reach our shores. Supply chains are stretched internationally, bumping up the bill at the petrol pump and the supermarket checkout for all of us. They also affect what councils and businesses around the country are able to deliver when building supplies and other basic materials are being rationed where available at all.

Taranaki's economy is in a comparatively good shape versus the rest of New Zealand and other parts of the world. Our jobless rate was the lowest in the country at 2.4 per cent over the January-March quarter and our building consent numbers and spending by shoppers tell us our region is faring better than most. But that doesn't mean we don't have people doing it tough here. With inflation nudging seven per cent a year, families have to balance their budgets and NPDC has to cut its cloth while still providing the services that our people reasonably expect. As people tighten their purse strings, they'll spend less at our facilities, such as our pools, a ticket to a show, or on parking during a trip into town, and it will mean small rises in some of our fees and charges so services like building consents can keep up with demand.

We're also tweaking our 10-Year Plan: our \$248m investment in Fixing the Plumbing, Greening our Place and Paying it Forward for our kids with our \$40m investment in the multi-purpose Tūparikino Active Community Hub. For instance, this financial year in Fixing the Plumbing will see scheduled drinking water upgrades in Urenui, Glen Avon and Katere Road, progress on stormwater in parts of New Plymouth and Waitara and wastewater improvements in New Plymouth, Waitara and Inglewood. Meanwhile, we're juggling our other priorities as our resources allow. Projects like stormwater works on Egmont Road are pulled forward so we can support the demand for new housing and other development, and others, like new sewer pipes in New Plymouth's Lorna Street, are moved back a couple of years to accommodate major building work at Taranaki Base Hospital.

Managing these priorities carefully helps keep our economy ticking over in challenging times, so the work keeps coming in for our tradies and local businesses and the tills keep ringing in shops and eateries across the district. We're mindful of challenges they face so we're also backing our Council-Controlled Organisations such as Venture Taranaki, our economic development agency and a key player in creating and keeping jobs in the district.

So what else is coming down the pipeline? The Government's plans to restructure local government are likely to become clearer over the next year and we will have to be flexible in our responses by rejigging our priorities again. Three Waters Reforms, the Future for Local Government Review and the Resource Management Reforms have the potential to shake things up, but they're still in the early stages. With other councils, we're working with the Government on the country's climate response and, as ground zero of the Just Transition to a low-emissions future, we'll continue to make our voice heard in Wellington.

So this is our plan for the next 12 months. We don't claim to have all the answers, but we're prepared to be flexible so we can work them through. Please take the time to read through this plan or the summary on the next couple of pages. Let's keep talking because we value your feedback on everything we do and your ideas and concerns will help shape our responses to what's ahead.



NEIL HOLDOM
New Plymouth Mayor



CRAIG STEVENSON
Chief Executive

Our Sustainable Lifestyle Capital Vision

Our vision for New Plymouth District is to be the **Sustainable Lifestyle Capital**. We have a great starting point as our district offers so much – spectacular natural beauty from Taranaki Maunga to the moana, thriving towns and communities, a productive rural sector, some excellent recreational and cultural facilities and of course great people.


Supporting our **Sustainable Lifestyle Capital** vision is a mission statement for us to provide our people with an innovative and resilient district that restores mauri, protects our environment and supports a successful economic transition, while providing quality infrastructure and leadership through operational excellence. We have five goals that are our community outcomes.

Sustainable Lifestyle Capital


Vision

Mission


To provide our people with an innovative and resilient district that restores mauri, protects our environment and supports a successful economic transition, while providing quality infrastructure and leadership through operational excellence




Partnerships
Strengthening a treaty based partnership with tangata whenua and building partnerships with not-for-profit, private enterprise, and government to improve outcomes for all




Delivery
Understanding and balancing our people's needs and wants through prudent delivery of quality infrastructure and services



Community
Achieving wellbeing through a safe, creative, active and connected community while embracing Te Ao Māori

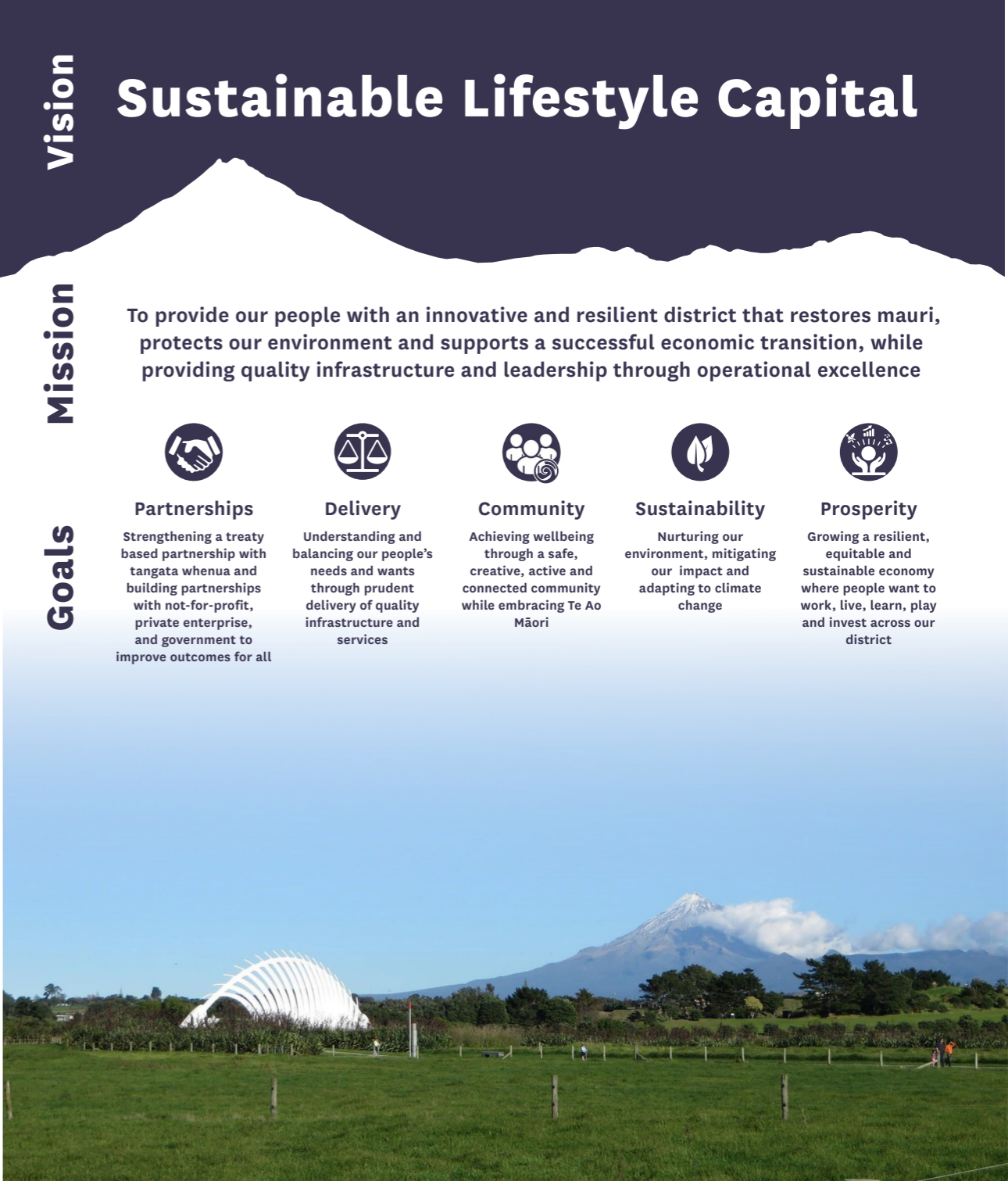


Sustainability
Nurturing our environment, mitigating our impact and adapting to climate change



Prosperity
Growing a resilient, equitable and sustainable economy where people want to work, live, learn, play and invest across our district

Goals



The risks to this Annual Plan

We are aware that the risks to delivering this Annual Plan are higher than normal. This increases the risk that we might not be able to deliver on our commitments to you, whether for existing services or in the projects we intend to undertake in 2022/23. Below are the key risks that we face.



Government Reforms

The Government has three major reforms aimed at local government at present. These are the Three Waters Reforms, Future for Local Government Review, and the Resource Management Reforms. There are broader reforms that impact on Council, including actions to mitigate and adapt to climate change.

These reforms, if they proceed, are likely to significantly impact on Council services in the future. However, for this Annual Plan these reforms are more likely require additional expenditure by Council, or result in disruption of work programmes, as the reforms are developed and refined by the Government.



Capital works programme delivery

The supply chain disruptions and border uncertainty from Covid increases risks to capital project deliverability. Supply chain disruptions may make it harder to obtain goods for some projects, while migration uncertainty may make it difficult to attract a skilled workforce to undertake specialised work. There is also increased building and construction activity around New Zealand, making it harder to obtain tradespeople and resources.



Covid Uncertainty

Covid is likely to continue to have implications in 2022/23 for Council. There are continued health risks for the community. There are also economic risks through the Covid Protection Framework, supply chain disruptions and other issues.



Inflation Uncertainty

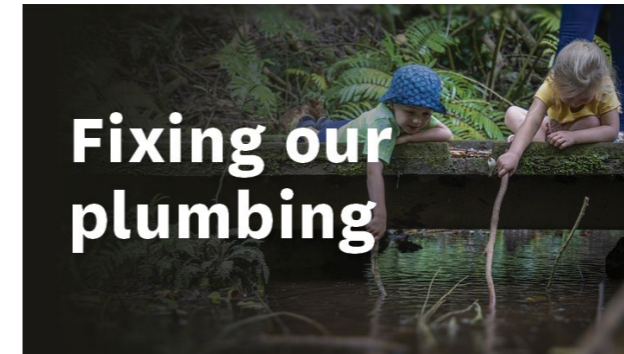
Covid has created disruptions as well as pent-up demand. Combined, these have resulted in significant inflationary pressure globally, with some goods and services more strongly impacted than others.

If inflation increases further than forecast, this could result in some costs being higher than budgeted. This increases the likelihood of projects fully utilising contingencies or being over budget. It could also mean Council decides to reduce the scope or scale of what it builds, or decides to defer some projects.

High inflation is also likely to result in the Reserve Bank increasing the Official Cash Rate which will then increase interest rates. This may create additional financial costs for Council.

What's coming up - key projects for 2022/23

Below are key capital expenditure projects planned for 2022/23, including what we are doing to progress the big calls we made in the Long-Term Plan (LTP) 2021-2031.



Looking after our existing assets

This year we will focus our water renewal programme on Urenui, Glen Avon and Katere Road. Our stormwater renewal programme will focus on sites in New Plymouth and Waitara, while our wastewater renewal programme will focus on sites in Waitara, Inglewood and New Plymouth.

Conserving water

This year we are aiming to install water meters in over half of the reticulated properties around the district.

Improving stormwater management in Waitara

This year construction will focus on the Tangaroa restoration programme. We will design improvements for the Upper Waiari and Bayly Street area.



Extending our tracks and trails network

This year we will start developing the Coastal Walkway extension to Waitara at Marine Park. We will finalise designs for the walkway with the four hapū of Te Atiawa. A working group will be established for the Taranaki Traverse and develop a land acquisition strategy.

Rolling out our Climate Action Framework

This year we will release a District-wide Emissions Reduction Plan and District-wide Adaptation Plan for community consultation. We will also plant at least two hectares of land under the Planting our Parks programme.



Building a multi-sport hub

This year we will confirm the detailed design for the Tūparikino Active Community Hub, and will be preparing for the Turf Complex to be developed the following year.

Other projects

- Airport Drive/Parklands Avenue intersection
- District-wide Council CCTV replacement
- Downtown Carpark earthquake strengthening
- Egmont Road (New Plymouth) stormwater upgrade
- Gover Street/Liardet Street central block traffic calming
- Historic Landfill erosion protection
- Junction Permanent Building construction
- Mangati Sewage Pump Station emergency storage
- Organic Waste Processing Facility
- SH3 Inglewood pedestrian crossing signals
- SH45 Lorna Street/Devon St West signalisation
- Te Rewa Rewa Co-Management Plan implementation
- Tukapa Street/Saunders Avenue intersection traffic signal
- Urenui and Onaero sewer system
- Urenui Swing Bridge renewal and erosion protection
- Waitara wastewater pumping system upgrade
- Wastewater network modelling
- Wastewater Treatment Plant Thermal Dryer Facility
- Windsor Walkway safety improvements

Key project changes from Year 2 of our LTP

We have made some minor changes to the capital projects in this Annual Plan compared to those outlined in the LTP 2021-2031 for this year. Most of these changes are minor, but some of the ones you may be interested in are outlined below.

New projects		Projects delayed to the future	
Strengthening Downtown Carpark building	\$1m	Kaitake Trail - Te Ara a Ruhihiweratini	\$1.5m to 2023/24
A two year project to reopen this carpark		Delayed due to ongoing consultation and planning	
Speed management	\$0.6m	Waiwhakaiho Pedestrian Bridge to The Valley	\$1.2m to 2023/24
To reduce speeds around schools		Moved to align with Waka Kotahi NZ Transport Agency	
Projects to support Waka Kotahi NZ Transport Agency's Road to Zero	\$0.5m	Hobson Street/ Devon St East intersection improvements	\$0.6m to 2023/24
To provide safety improvements		Delayed to complete required planning	
Matekai Reserve bridge replacement	\$0.1m	SH45 Dixon Street to Corbett Park Walkway	\$0.8m to 2023/24
To replace the two end-of-life wooden bridges in this reserve		Delayed to align with resource availability	
Projects brought forward		Bayly Street, Waitara kerbing and drainage improvements	\$0.7m to 2023/24
Wastewater Treatment Plant Thermal Drier	\$15.9m	Project aligned to wider Waitara stormwater projects	
Budget increased by \$7.4m as work has accelerated and will be completed ahead of schedule. This is funded by central government, not rates		Brooklands Road/Hori Street/ Upjohn Street intersection safety improvements	\$0.7m to 2023/24
Airport Drive/Parklands Avenue intersection	\$1m	Delayed to complete required planning	
Brought forward from 2023/24 to allow for private sector housing growth in the area		Strandon Village place making	\$0.5m to 2023/24
Egmont Road (New Plymouth) stormwater	\$0.5m	Delayed to align with resource availability	
Brought forward due to increased development in the area		Inglewood Town Hall - replace floor in kitchen and toilet	\$0.3m to 2023/24 & 2024/25
		Delayed to align timing with the re-roofing project	
		Wastewater Pump Station flow meters	\$0.3m to 2023/24
		Delayed to align with resource availability	
		Lorna Street sewer renewal	\$0.3m to 2026/27
		Not required until third stage of Taranaki Base Hospital redevelopment	
		Pohutukawa Place walking and drainage improvements	\$0.2m to 2023/24
		Delayed to align with resource availability	

Financial summary

This is a summary of key financial information relating to the Annual Plan 2022/23. For more detailed information, please refer to the Financial Information section.

THE NUMBERS

We have total assets worth

\$3.7b

and our capital budget is

\$94m

Operating budget

\$194m



Rates increase

7%



Gross debt

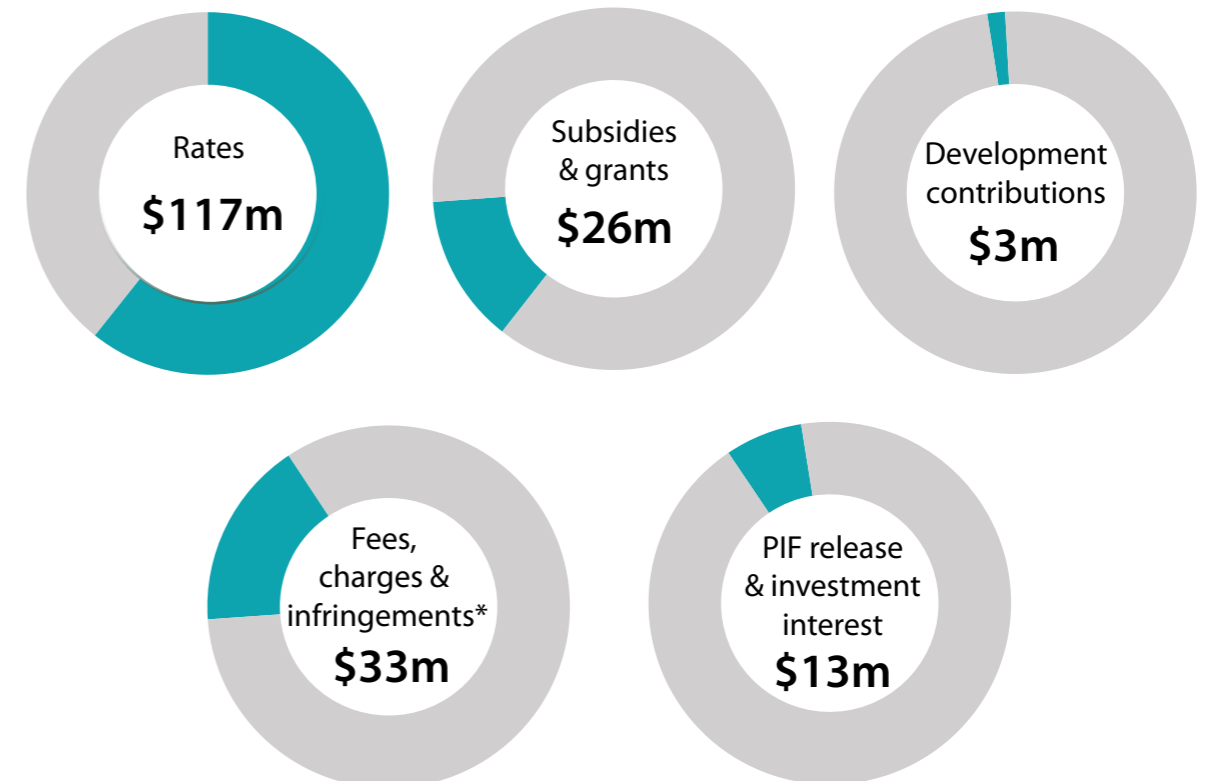
\$264m



Council's budgeted operational revenue

Where does the money come from?

Revenue is received from a mix of rates, fees, interest and dividends on Council's investments, and external sources such as financial assistance from government agencies (e.g. Waka Kotahi NZ Transport Agency). Council recognises revenue from an unrealised gain on investments (\$10m), gain on disposal of Waitara freehold land (\$5m) and vested assets income (\$4m).







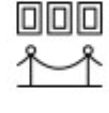



* A schedule of the fees and charges can be found on Council's website www.npdc.govt.nz.









Council's budgeted operational and capital expenditure

How will the money be spent?

Operating expenditure is used for the day to day running of services and facilities and includes the recognition of depreciation. Capital expenditure is used for renewing and improving the network infrastructure (e.g. roads, pipes and buildings).

Council services	Operating budget	Capital budget	Rates required*
 Community Partnerships	\$6.5m	\$1.6m	\$97
 Customer & Regulatory Solutions	\$16.0m	\$1.9m	\$97
 Economic Development	\$4.5m	-	\$82
 Emergency Management & Business Continuance	\$2.6m	\$0.1m	\$22
 Flood Protection and Control Works	\$0.3m	-	\$4
 Governance	\$4.5m	\$0.4m	\$78
 Govett-Brewster Art Gallery/Len Lye Centre	\$5.6m	\$0.2m	\$81
 Management of Investments & Funding (includes PIF release)	\$8.1m	-	-\$182

* Average residential rates is \$2,779 (inclusive GST)

Council services	Operating budget	Capital budget	Rates required*
 Parks and Open Spaces	\$19.0m	\$6.0m	\$336
 Puke Ariki and Community Libraries	\$13.2m	\$2.3m	\$228
 Stormwater Management	\$6.6m	\$5.5m	\$58
 Transportation	\$31.0m	\$23.4m	\$428
 Venues and Events	\$14.9m	\$3.8m	\$185
 Waste Management & Minimisation	\$17.2m	\$4.2m	\$280
 Wastewater Treatment	\$24.9m	\$27.5m	\$584
 Water Supply	\$19.0m	\$12.2m	\$401

* Average residential rates is \$2,779 (inclusive GST)

A woman in a white dress is walking on a glowing hopscotch board at night. The board is illuminated with various colors and contains large, glowing numbers. In the background, there are large, glowing blue circles of varying sizes. The scene is set outdoors at night, with some other people visible in the distance.

Financial Information

Prospective Statements

Prospective Statement of Comprehensive Revenue and Expense

	LTP 2021/22 (\$m)	LTP 2022/23 (\$m)	Budget 2022/23 (\$m)
Operating revenue			
<i>Revenue from exchange transactions</i>			
Interest revenue	1.72	1.71	1.63
Investment revenue	19.66	20.36	20.91
Water - targeted metered rates	5.02	5.26	5.26
Other revenue (excluding vested assets, fines and levies)	30.68	39.52	36.25
<i>Revenue from non-exchange transactions</i>			
Rates (excluding water targeted metered rates)	104.73	112.26	112.18
Subsidies and grants	31.71	24.63	25.75
Development and financial contributions	2.96	3.08	3.08
Fines and levies	1.47	1.44	1.45
Vested assets	4.30	4.40	4.40
Total operating revenue	202.25	212.66	210.91
Operating expenditure			
Personnel costs	46.81	47.77	54.60
Other expenses	81.68	93.01	87.86
Depreciation and amortisation expenses	41.86	45.09	45.05
Interest expense	6.92	7.87	6.86
Total operating expenditure	177.27	193.74	194.37
Surplus/(deficit) before taxation	24.98	18.92	16.54
Taxation refund/(expense)	-	-	-
Surplus/(deficit) after taxation	24.98	18.92	16.54
Other comprehensive revenue and expense			
Gain/(loss) on property, plant and equipment and equipment revaluations	143.83	-	-
Total other comprehensive revenue and expense	143.83	-	-
Total comprehensive revenue and expense	168.81	18.92	16.54

Prospective Statement of Changes in Equity

	LTP 2021/22 (\$m)	LTP 2022/23 (\$m)	Budget 2022/23 (\$m)
Equity at the beginning of the year	3,114.93	3,283.74	3,333.73
Net surplus/(deficit) from continued operations	24.98	18.92	16.54
Other comprehensive revenue and expense	143.83	-	-
Total comprehensive revenue and expense	168.81	18.92	16.54
Equity adjustment	-	-	-
Equity at the end of the year	3,283.74	3,302.66	3,350.27

Prospective Statements

Prospective Statement of Financial Position

	LTP 2021/22 (\$m)	LTP 2022/23 (\$m)	Budget 2022/23 (\$m)
Non-current assets			
Property, plant and equipment	3,090.06	3,144.31	3,132.30
Intangible assets	5.76	6.85	7.07
Forestry assets	5.69	4.79	5.83
Investments in CCOs and similar entities	58.19	57.44	57.44
Other financial assets	57.21	56.61	85.11
Derivative financial instruments	0.76	0.76	0.76
Total non-current assets	3,217.67	3,270.76	3,288.51
Current assets			
Cash and cash equivalents	18.75	7.92	24.29
Debtors and other receivables	18.23	18.97	18.70
Investments in CCOs and similar entities	4.15	4.15	4.15
Other financial assets	302.68	315.93	355.14
Intangible assets	-	-	-
Inventory	0.15	0.15	0.15
Non-current assets held for sale	0.67	0.38	0.38
Total current assets	344.63	347.50	402.81
Total assets	3,562.30	3,618.26	3,691.32
Non-current liabilities			
Borrowings	179.98	193.14	199.58
Derivative financial instruments	21.63	21.63	21.63
Provisions	2.99	2.84	2.84
Employee entitlements	0.52	0.52	0.52
Total non-current liabilities	205.12	218.13	224.57
Current liabilities			
Creditors and other payables	24.27	28.24	46.72
Borrowings	44.00	64.00	64.00
Provisions	1.02	1.02	1.02
Employee entitlements	3.85	3.93	4.45
Derivative financial instruments	0.30	0.30	0.30
Total current liabilities	73.44	97.49	116.49
Total liabilities	278.56	315.62	341.06
Net assets	3,283.74	3,302.64	3,350.26
Equity			
Accumulated funds	1,618.35	1,656.06	1,691.03
Restricted reserves	65.09	46.28	58.93
Asset revaluation reserves	1,600.30	1,600.30	1,600.30
Total equity	3,283.74	3,302.64	3,350.26

Prospective Statements

Prospective Cash Flow Statement

	LTP 2021/22 (\$m)	LTP 2022/23 (\$m)	Budget 2022/23 (\$m)
Cash flows from operating activities			
Receipts from rates revenue	109.76	117.52	117.44
Interest received	1.72	1.71	1.63
Other revenue received	62.01	63.85	63.48
Payments to suppliers and employees	(118.18)	(129.88)	(135.45)
Waitara Lands Act disbursements	(16.06)	(6.11)	(2.25)
Interest paid	(6.92)	(7.87)	(6.86)
Net cash flows from operating activities	32.33	39.22	37.99
Cash flows from investing activities			
Receipts from sale of property, plant and equipment	7.68	7.56	7.57
Investment release to Council	10.56	11.19	11.74
Receipts from sale of other financial assets	10.28	0.75	0.75
Purchase of property, plant and equipment	(79.56)	(98.63)	(94.40)
Purchase of other financial assets	(4.32)	(4.08)	(5.29)
Net cash flows from investing activities	(55.36)	(83.21)	(79.63)
Cash flows from financing activities			
Proceeds from borrowings	34.03	48.16	62.19
Repayment of borrowings	(11.00)	(15.00)	(15.00)
Net cash flows from financing activities	23.03	33.16	47.19
Net increase/(decrease) in cash and cash equivalents	-	(10.83)	5.55
Cash and cash equivalents at the beginning of the year	18.75	18.75	18.75
Cash and cash equivalents at the end of the year	18.75	7.92	24.30

Statement of Accounting Policies

These prospective financial statements are for the year commencing 1 July 2022 and ending on 30 June 2023 and were authorised for issue by Council on 7 June 2022. The accounting policies used to prepare these prospective financial statements are the same as those contained in the Basis of Preparation of the Annual Report for the year ended 30 June 2021 which is available on the [Council's website](#). The changes in PBE IPSAS accounting standards that have occurred since the 30 June 2021 reporting period have no impact in the preparation of this Annual Plan.

Notes to the Prospective Statements

Group of activities combined depreciation and amortisation expense

	LTP 2021/22 (\$m)	LTP 2022/23 (\$m)	Budget 2022/23 (\$m)
Community Partnerships	0.21	0.24	0.24
Customer and Regulatory Solutions	0.66	0.69	0.69
Economic Development	-	-	-
Emergency Management and Business Continuance	0.03	0.04	0.04
Flood Protection and Control Works	0.12	0.13	0.13
Governance	0.01	0.02	-
Govett-Brewster Art Gallery/Len Lye Centre	0.53	0.56	0.56
Management of Investments and Funding	-	-	-
Parks and Open Spaces	2.60	2.81	2.83
Puke Ariki and Community Libraries	2.08	2.20	2.20
Stormwater Management	3.69	3.96	3.96
Transportation	11.39	12.29	12.28
Venues and Events	1.39	1.53	1.50
Waste Management and Minimisation	0.46	0.50	0.50
Wastewater Treatment	9.48	10.25	10.19
Water Supply	6.60	7.09	7.14
Other	2.61	2.78	2.79
Total depreciation and amortisation expense	41.86	45.09	45.05

Waitara Lands Act Land

This plan includes future income from Waitara endowment land totalling \$7.55m to be distributed as follows:

- Taranaki Regional Council \$2.25m
- Hapu Land Fund \$2.65m
- Waitara Perpetual Community Fund \$2.65m

The annual release from the Waitara Perpetual Community Fund provided for in these prospective financial statements is \$147,557.

Reserve Funds

NPDC maintains reserve funds as a part of its equity. Schedule 10 Clause 16 requires certain information to be included pertaining to these reserve funds. The following presents a summary of reserve funds followed by a breakdown into the various reserves explaining types of funds under each category and a table giving the opening balances, movements and closing balances.

Summary of Reserve Funds

The following is a summary of NPDC's expected reserve funds over the life of this plan.

	LTP 2021/22 (\$m)	LTP 2022/23 (\$m)	Budget 2022/23 (\$m)
Opening balances	74.01	65.10	76.88
Deposits to reserves	27.14	28.87	25.31
Withdrawals from reserves	(36.05)	(47.68)	(43.25)
Closing balances	65.10	46.29	58.94

Note. Opening balances for LTP 2022/23 have been adjusted to reflect the actual opening position at 1 July 2021 and impacts of forecast for 2021/22.

- 1. Operating reserve funds.** These are set aside to fund short-term operational matters, such as some loan repayments, or to hold short-term surpluses arising from operations. If not required can be transferred to renewal reserves.

	LTP 2021/22 (\$m)	LTP 2022/23 (\$m)	Budget 2022/23 (\$m)
Opening balances	14.54	11.65	7.35
Deposits to reserves	0.35	(0.15)	(0.28)
Withdrawals from reserves	(3.24)	(3.11)	(2.48)
Closing balances	11.65	8.39	4.59

- 2. Restricted reserves, trust and bequest funds.** These are funds subject to specific conditions accepted as binding by NPDC, 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 certain specified conditions are met. These include the Waitara Perpetual Community Fund (held by NPDC), heritage funds, proceeds from sale of Junction Road leases, Solid Waste Development Fund, Central Landfill Development Fund, Ngamotu Masonic Lodge Bursary Fund and certain bequest funds: Monica Brewster, Molly Morpeth Canaday, JT Gibson. These funds are applied to infrastructural asset activities, Puke Ariki and Govett-Brewster Art Gallery.

	LTP 2021/22 (\$m)	LTP 2022/23 (\$m)	A/Plan 2022/23 (\$m)
Opening balances	36.48	38.46	32.64
Deposits to reserves	4.02	5.81	3.08
Withdrawals from reserves	(2.04)	(3.74)	(3.93)
Closing balances	38.46	40.53	31.79

Prospective Statements

- 3. Development funds.** These include development and financial contributions levied by NPDC for capital works and are intended to contribute to the growth related capital expenditure in the infrastructural asset activities of Roads, Water Supply, Wastewater Management, Stormwater Drainage, Flood Protection and Control Works, Parks, Venues and Events, Puke Ariki and Govett-Brewster Art Gallery.

	LTP 2021/22 (\$m)	LTP 2022/23 (\$m)	Budget 2022/23 (\$m)
Opening balances	1.33	0.90	0.65
Deposits to reserves	-	-	0.00
Withdrawals from reserves	(0.43)	(0.31)	(0.28)
Closing balances	0.90	0.59	0.37

- 4. Renewal and disaster funds.** NPDC sets aside funding to meet the renewal of its infrastructural and operating assets to ensure the continued ability of the Council to provide services. In addition NPDC maintains a disaster fund as a part of its insurance strategies. The renewal funds are applied to all activities throughout NPDC.

	LTP 2021/22 (\$m)	LTP 2022/23 (\$m)	Budget 2022/23 (\$m)
Opening balances	21.66	14.09	36.24
Deposits to reserves	22.77	23.21	22.51
Withdrawals from reserves	(30.34)	(40.48)	(36.56)
Closing balances	14.09	(3.18)	22.19

Disclosure Statement for the period commencing 1 July 2022

(Note: this Statement is unaudited)

What is the purpose of this statement

The purpose of this statement is to disclose NPDC's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations). Refer to the Regulations for more information, including definitions of some of the terms used in this statement.

Benchmark	Planned	Met
Rates affordability - income		
Total rates revenue for each year will not exceed 75% of operating revenue.	56%	Yes
Rates affordability - increases		
Total rates increase limit is 9%.	7%	Yes
Debt affordability		
Interest expense on external borrowings each year will be no more than 12.5% of rates income.	6%	Yes
Net external borrowings each year will be no more than 135% of total revenue.	117%	Yes
Balanced budget		
The planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment) equals or is greater than its planned operating expenses.	100%	Yes
Essential services		
The planned capital expenditure on network services equals or is greater than expected depreciation on network services.	204%	Yes
Debt servicings		
The Council's planned borrowing costs are equal to or are less than 10% of its planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment).	4%	Yes

Rates and Funding Information

Rating policies, system and indicative rates

This section complies with the requirements under Schedule 10 clauses 20 and 20A of the Local Government Act 2002. It should be read in conjunction with New Plymouth District Council's Revenue and Financing Policy. Figures quoted are exclusive of GST unless otherwise stated.

Definition of Separately Used or Inhabited Part of a Rating Unit (SUIP)

A SUIP is defined as a separately used or inhabited part of a rating unit and includes any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement, or any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use. Separately used or inhabited parts include:

- A residential, small holding, or farmland property that contains two or more separately occupiable units, flats or houses each of which is separately inhabited or is capable of separate habitation, i.e. has independent kitchen facilities.
- A commercial premise that contains separate shops, kiosks, other retail or wholesale outlets, or offices, each of which is operated as a separate business or is capable of operation as a separate business.

1. General rates

NPDC will set a general rate based on the land value of rateable land in the district together with a uniform annual general charge (UAGC) applied to all SUIPs of a rating unit.

Differential land value categories

NPDC differentiates the general rate based on land use (Schedule 2 Local Government (Rating) Act 2002). The differential categories and percentages of total general rate requirement that apply to each group are:

	Fixed Differential %	Revenue sought 2022/23 (\$)
Group 1: Commercial/Industrial All rating units that are used primarily for any commercial or industrial purpose	26.9	21,114,647
Group 2: Residential All rating units with a land area of one hectare or less, not being rating units in Group 1, used for residential and related purposes.	54	42,386,280
Group 3: Small Holdings All rating units, not being rating units included in Groups 1 or 2, having a land area of more than one hectare but no greater than four hectares.	3.6	2,825,752
Group 4: Farmland All rating units, not being rating units included in Groups 1, 2 or 3, having a land area in excess of four hectares.	15.5	12,166,432
Total	100	78,493,111

The Revenue and Financing Policy outlines the rules for inclusion into the different groups.

Rates and Funding Information

Application of differential calculation

The differential percentages are applied to the total general rate required. The UAGC component is then deducted and the balance is allocated based on individual land values within each category. Refer to the table below.

	Group 1 Commercial/ Industrial	Group 2 Residential	Group 3 Small Holdings	Group 4 Farmland
Group differential requirement	\$21,114,647	\$42,386,280	\$ 2,825,752	\$12,166,432
Total UAGC from Group collected	\$945,646	\$12,386,586	\$688,100	\$1,213,415
Group requirement from land value calculation	\$20,169,001	\$29,999,693	\$2,137,652	\$10,953,017

The differentials per dollar land value are set in the table below.

Differential category	Rate cents/\$	Differential factor
Commercial/Industrial	1.5991	3.97
Residential	0.4033	1.00
Small Holdings	0.3240	0.80
Farmland	0.3202	0.79

1. Uniform annual general charge

NPDC will set a UAGC which is a fixed amount assessed on every SUIP. The amount per SUIP (excluding GST) is set in the table below.

	2021/22	2022/23
UAGC (excluding GST)	\$383.98	\$393.20

Both the general rate and the UAGC will be used to fund, or assist with funding, all Council activities other than those funded by way of targeted rates for roading, water supply, sewage treatment and disposal, refuse collection and kerbside recycling, swimming pool compliance and voluntary targeted rate for Ngā Whare Ora Taiao o Ngāmotu (New Plymouth Sustainable Homes) Scheme.

2. Targeted roading rate

NPDC will set a targeted rate - the Uniform Annual Roothing Charge (UARC) to partially fund the roading activity on all rateable land in the district of a fixed amount per SUIP. The amount per SUIP (excluding GST) is set in the table below.

	2021/22	2022/23
UARC (excluding GST)	\$116.22	\$119.01

3. Targeted service charge rates

NPDC will charge the following targeted rates:

- Water supply.
- Sewage treatment and disposal.
- Refuse collection and disposal.
- Swimming pool compliance.
- Voluntary targeted rate - Ngā Whare Ora Taiao o Ngāmotu (New Plymouth Sustainable Homes) Scheme.

Unless otherwise noted, only those properties that actually receive the service are liable for these charges, irrespective of differential category.

Rates and Funding Information

5. Water Supply

NPDC has three mechanisms of payment for water supply.

- Annual water charge** is a targeted rate being a fixed amount per SUIP which is connected to an urban water supply but not charged volumetrically. This rate will be charged in 2022/23 and 2023/24 and will be discontinued in 2024/25. The amount per SUIP is \$348.35 (excluding GST) for 2022/23.
- On demand supplies of water by meter** is a rate per cubic metre of water supplied to each connection which is metered and charged volumetrically and connected to an urban or rural water supply. A scale of charges is applied as follows:
 - Standard rate for consumption up to or equal to 50,000m³ per annum \$1.38 (per cubic metre) for 2022/23.
 - Rate for consumption in excess of 50,000m³ per annum \$1.40 (per cubic metre) for 2022/23.
 - Waitara industrial - untreated supply \$0.96 (per cubic metre) for 2022/23.
- Restricted flow targeted rate.** A restricted flow targeted rate is determined by the (user nominated) volume of water able to be supplied within a fixed time period to a SUIP for properties that are not metered and are connected to a rural water supply (in accordance with NPDC's Bylaw Part 14 - Water, Wastewater and Stormwater Services). For 2022/23, the amount per 1m³ unit is \$221.00.

The **network fixed charge targeted rate** is a targeted amount per SUIP which is connected to a water supply by an annual water charge. The amount per SUIP is \$37.60 for 2022/23 and 2023/24.

For properties that are not connected to an urban or rural water supply a targeted rate is not assessed.

6. Sewage treatment and disposal

All rating units other than commercial/industrial and schools

NPDC will set a targeted rate for sewage treatment and disposal as a fixed amount per SUIPs (other than commercial/industrial rating units and schools) connected either directly or through a private drain to a public sewerage drain.

The amount per SUIP is \$507.83 for 2022/23.

Commercial/industrial and schools

NPDC will set a targeted rate per water closet or urinal per SUIP connected either directly or through a private drain to a public sewerage drain or commercial/industrial properties and schools as per the following scale per water closet or urinal for 2022/23.

	(\$)
One to two	507.83
Three	431.30
Four	380.87
Five	330.43
Six to 10	304.35
11 to 15	279.13
16 to 20	266.96
21 or more	253.91

Expansion of sewerage scheme charges (including Ōākura)

For rating units in the area to which the sewerage scheme was expanded and is now available (including Ōākura), where an agreement to connect was obtained but the rating unit has not yet connected, a targeted rate per SUIP will be set as a fixed amount (which is half the full amount). The amount per SUIP for 2022/23 is \$253.91. Once connected the full amount will apply in the next financial year.

All rating units in the district which are neither connected to the sewerage system or are not serviceable are not liable for these rates.

Rates and Funding Information

7. Refuse collection and disposal including kerbside recycling

NPDC will set a targeted rate for refuse collection and disposal (including kerbside recycling) as a fixed amount per SUIP to which the Council provides the service for which the charge is assessed. The amount per SUIP is \$181.74 for 2022/23.

8. Swimming pool compliance (registration and audit inspection pursuant to the Building Act 2004)

NPDC will set a targeted rate for swimming pool compliance as a fixed amount per SUIP which have a swimming pool/spa pool on the rating unit. The amount per SUIP is \$43.47 for 2022/23.

9. Voluntary Targeted Rate - Ngā Whare Ora Taiao o Ngāmotu (New Plymouth Sustainable Homes) Scheme

The Ngā Whare Ora Taiao o Ngāmotu (New Plymouth Sustainable Homes) Scheme rate is a targeted rate set on properties that have benefited from funding by NPDC in respect of the property for a range of household sustainability initiatives. The rate is calculated at either 11.1 per cent (for those who opted for a nine year repayment period) or 20 per cent (for those who opted for a five year repayment period) of the service amount (the cost of the borrowed amount) until the service amount and the costs of servicing the service amount are recovered and is charged on a rating unit basis. For the avoidance of doubt, this rate includes ratepayers who used NPDC's Voluntary Targeted Rate for Home Energy Scheme prior to its expansion as Ngā Whare Ora Taiao o Ngāmotu (New Plymouth Sustainable Homes) Scheme.

Due dates and penalties

NPDC's rates (excluding metered water rates) for the 2022/23 year (1 July 2022 to 30 June 2023) will become due and payable by four equal instalments on the following dates:

- Instalment 1: 31 August 2022
- Instalment 2: 30 November 2022
- Instalment 3: 22 February 2023
- Instalment 4: 31 May 2023

NPDC will charge a penalty of 10 per cent on any part of each respective instalment (for rates excluding metered water rates) that remains unpaid after the instalment due dates listed above.

In addition, NPDC will charge a penalty of 10 per cent on any portion of rates (for rates excluding metered water rates) that were assessed or levied in any previous financial years prior to 1 July 2022 and which remain unpaid on 1 July 2022. The penalty will be applied on 30 September 2022 and a further additional penalty of 10 per cent on any portion of rates that were assessed or levied in any previous financial years and which remain unpaid on 31 March 2023.

Metered water rates for the 2022/23 year (1 July 2022 to 30 June 2023) will generally be invoiced on a quarterly basis. However, rating units may be invoiced monthly if the unit has previously been invoiced monthly or NPDC has been notified before 30 June 2022 to be invoiced monthly.

Invoices for metered water invoiced quarterly will become due and payable on the following dates:

- Instalment 1: 30 November 2022
- Instalment 2: 22 February 2023
- Instalment 3: 31 May 2023
- Instalment 4: 30 August 2023

NPDC will charge a penalty of 10 per cent on any part of each respective instalment (for metered water rates) that remains unpaid after the instalment due dates listed above.

Rates and Funding Information

Invoices for metered water invoiced on a monthly basis will become due and payable on the following dates:

- Instalment 1: 22 August 2022
- Instalment 2: 20 September 2022
- Instalment 3: 20 October 2022
- Instalment 4: 21 November 2022
- Instalment 5: 20 December 2022
- Instalment 6: 20 January 2023
- Instalment 7: 20 February 2023
- Instalment 8: 20 March 2023
- Instalment 9: 20 April 2023
- Instalment 10: 22 May 2023
- Instalment 11: 20 June 2023
- Instalment 12: 20 July 2023

NPDC will charge a penalty of 10 per cent on any part of each respective instalment (for metered water rates) that remains unpaid after the instalment due dates listed above.

Rating base information

	2021/22*	2022/23
Projected number of rating units	36,518	36,863
Projected total capital value of rating units (\$m)	23,924	24,079
Projected total land value of rating units (\$m)	12,707	12,781

* These are the actual rates strike figures

Lump sum contributions

NPDC may accept lump sum contributions in respect of any targeted rate.

Other funding sources

	A/Plan 2022/23 (\$m)
Subsidies and grants	25.75
Fees and charges	31.68
Interest and dividends from investments	13.37
Development and financial contributions	3.08
Increase (decrease) in debt	47.21
Gross proceeds from sale of assets	7.56
Lump sum contributions	-
Other (including fuel tax, fines and infringements)	1.35
	130.00

Rates and Funding Information

Total rates

	LTP 2021/22 (\$)	A/Plan 2022/23 (\$)
Uniform annual general charge (UAGC)	14,712,578	15,233,748
General rate	57,759,985	63,259,363
Sub total (general rates)	72,472,563	78,493,111
Uniform annual roading charge (UARC)	4,447,977	4,600,304
Uniform annual sewage charge (UADC)	15,238,132	16,539,000
Uniform annual water charge (UAWC)	9,931,442	9,664,035
Water by meter charges	5,019,558	5,260,950
Uniform annual refuse charge (UARC)	5,070,408	5,513,000
Swimming pool compliance charge (UAPC)	42,000	41,590
Sub total (targeted rates/charges)	39,749,517	41,618,879
Total	112,222,080	120,111,990

The total rates figures in the table above do not include GST. GST will be added at applicable rates.

Examples of the impact of the rating proposals (GST inclusive)

The following examples show the impact of the rating proposals on low, medium and high valued properties for each differential for 2022/23. They are required to be provided under clause 20(5) of Schedule 10 of the Local Government Act 2002 and are indicative only. (Plus, approximate average case for each group based on average land value and pans for commercial/industrial.) The examples exclude the swimming pool compliance targeted rate and the voluntary Ngā Whare Ora Taiao o Ngāmotu (New Plymouth Sustainable Homes) Scheme targeted rate. More information about these rates can be found on page 22.

Residential land value (LV)

	\$111,000 LV	\$165,000 LV	\$215,000 LV	\$285,000 LV	\$500,000 LV
General Rate	514.81	765.26	997.16	1,321.82	2,318.98
Uniform annual general charge	452.18	452.18	452.18	452.18	452.18
Targeted rates					
Uniform annual roading charge	136.86	136.86	136.86	136.86	136.86
Uniform annual sewage charge	584.00	584.00	584.00	584.00	584.00
Uniform annual water charge:					
- Network fixed charge	43.24	43.24	43.24	43.24	43.24
- Standardised consumption charge	357.36	357.36	357.36	357.36	357.36
Uniform annual refuse charge	209.00	209.00	209.00	209.00	209.00
Total	2,297.45	2,547.90	2,779.80	3,104.46	4,101.62
Increase \$ over 2021/22	103.89	125.62	145.75	173.93	260.47

Rates and Funding Information

Commercial/Industrial land value (LV)

	\$42,000 LV	\$205,000 LV	\$380,000 LV	\$720,000 LV	\$1,930,000 LV
General Rate	772.37	3,769.88	6,988.07	13,240.55	35,492.02
Uniform annual general charge	452.18	452.18	452.18	452.18	452.18
Targeted rates					
Uniform annual roading charge	136.86	136.86	136.86	136.86	136.86
Uniform annual sewage charge	584.00	584.00	1,900.00	1,900.00	3,500.00
Uniform annual water charge:					
- Network fixed charge	43.24	43.24	43.24	43.24	43.24
- Standardised consumption charge	357.36	357.36	357.36	357.36	357.36
Total	2,346.01	5,343.52	9,877.71	16,130.19	39,981.66
Increase \$ over 2021/22	83.61	221.76	467.08	755.25	1,890.78

Small Holdings land value (LV)

	\$170,000 LV	\$280,000 LV	\$335,000 LV	\$425,000 LV	\$640,000 LV
General Rate	633.42	1,043.28	1,248.21	1,583.55	2,384.64
Uniform annual general charge	452.18	452.18	452.18	452.18	452.18
Targeted rates					
Uniform annual roading charge	136.86	136.86	136.86	136.86	136.86
Total	1,222.46	1,632.32	1,837.25	2,172.59	2,973.68
Increase \$ over 2021/22	61.12	91.74	107.04	132.09	191.92

Farmland land value (LV)

	\$150,000 LV	\$395,000 LV	\$570,000 LV	\$1,200,000 LV	\$4,020,000 LV
General Rate	552.35	1,454.51	2,098.91	4,418.76	14,802.85
Uniform annual general charge	452.18	452.18	452.18	452.18	452.18
Targeted rates					
Uniform annual roading charge	136.86	136.86	136.86	136.86	136.86
Total	1,141.39	2,043.55	2,687.95	5,007.80	15,391.89
Increase \$ over 2021/22	60.04	135.55	189.49	383.65	1,252.78

Rates and Funding Information

Rates and Charges	LTP 2021/22 (\$)	A/Plan 2022/23 (\$)
General rates		
Uniform annual general charge	383.98	393.20
Differential rates (cents per \$ of rateable value):		
- Group 1 (Commercial/Industrial)	1.5254c	1.5991c
- Group 2 (Residential)	0.3683c	0.4033c
- Group 3 (Small Holdings)	0.2998c	0.3240c
- Group 4 (Farmland)	0.2934c	0.3202c
Targeted rates/charges		
Uniform annual roading charge	116.22	119.01
Uniform annual refuse charge per serviced household	172.00	181.74
Uniform annual sewage charge - all rating units other than commercial/industrial	470.43	507.83
Uniform annual sewage charge - commercial/industrial (including schools) (scale of charges per water closet or urinal):		
- One to two	470.43	507.83
- Three	400.00	431.30
- Four	353.04	380.87
- Five	306.09	330.43
- Six to 10	282.61	304.35
- 11 to 15	259.13	279.13
- 16 to 20	246.96	266.96
- 21 or more	235.65	253.91
Ōākura part charge	235.65	253.91
Uniform annual water charge:		
- Network fixed charge	37.60	37.60
- Consumption variable charge	318.40	310.75
Swimming pool compliance charge	42.44	43.47
Ngā Whare Ora Taiao o Ngāmotu (New Plymouth Sustainable Homes) Scheme - funding assistance depending on each funding arrangement		
Water charges		
On demand supplies by water by meter (WBM):		
- Supply charge (for all metered customers)	37.60	37.60
- Standard rate for consumption up to 50,000m ³ (per cubic metre)	1.41	1.38
- Industrial rate for consumption in excess of 50,000m ³ per annum (per cubic metre)	1.43	1.40
Waitara industrial - untreated supply (per cubic metre)	0.96	0.96
Restricted flow connections (per water unit as defined by Water, Wastewater and Stormwater Services Bylaw (Part 14))	226.77	221.00

Note: large users are charged the standard WBM rate to 50,000m³ and the industrial rate for amounts in excess of 50,000m³

The figures above do not include GST. GST will be added at applicable rates.

Funding Impact Statement

	LTP 2021/22 (\$m)	LTP 2022/23 (\$m)	Budget 2022/23 (\$m)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	70.42	75.75	76.25
Targeted rates	39.33	41.77	41.19
Subsidies and grants for operating purposes	8.95	7.30	8.04
Fees and charges	25.97	34.93	31.68
Interest and dividends from investments	12.28	12.91	13.37
Local authorities fuel tax, fines, infringement fees and other receipts	1.38	1.37	1.35
Total operating funding (A)	158.33	174.03	171.88
Applications of operating funding			
Payments to staff and suppliers	(131.32)	(142.61)	(147.43)
Finance costs	(6.92)	(7.87)	(6.87)
Internal charges and overheads applied	2.67	2.73	4.85
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(135.57)	(147.75)	(149.45)
Surplus/(deficit) of operating funding (A - B)	22.76	26.28	22.43
Sources of capital funding			
Subsidies and grants for capital expenditure	22.76	17.33	17.70
Development and financial contributions	2.96	3.08	3.08
Increase/(decrease) in debt	23.03	33.15	47.20
Gross proceeds from sale of assets	7.68	7.56	7.56
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	56.43	61.12	75.54
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	(8.21)	(10.27)	(9.63)
- to improve the level of service	(30.32)	(43.25)	(40.11)
- to replace existing assets	(41.03)	(45.11)	(44.66)
(Increase)/decrease in reserves	6.93	8.50	(3.37)
(Increase)/decrease of investments	(6.56)	2.73	(0.20)
Total applications of capital funding (D)	(79.19)	(87.40)	(97.97)
Surplus/(deficit) of capital funding (C-D)	(22.76)	(26.28)	(22.43)
Funding balance (A-B) + (C-D)	-	-	-

Other information to be provided

Clause 5(4) Local Government (Financial Reporting and Prudence) Regulations 2014

	LTP 2021/22 (\$m)	LTP 2022/23 (\$m)	Budget 2022/23 (\$m)
Depreciation and amortisation expense			
Depreciation expense	41.86	45.09	45.05
less deferred/unfunded	(19.30)	(22.08)	(22.92)
Net funding transferred to renewals reserves	22.56	23.01	22.13

Reconciliation Summary

Reconciliation of prospective financial plan, summary funding impact statement and prospective financial statements

PBE FRS 42: Prospective Financial Statements (specifically paragraph 40) requires reconciliation or narrative explaining differences in presentation of prospective financial information. Earlier in this section, NPDC presented its Prospective Financial Plan, Prospective Financial Statements and Summary Funding Impact Statement. The following reconciliation explains the differences in accounting treatment of the operating sections of each of the prospective financial statements.

	LTP 2021/22 (\$m)	LTP 2022/23 (\$m)	Budget 2022/23 (\$m)
Sources of operating funding			
Total operating funding (A)	158.33	174.02	171.88
add sources of capital funding:			
- Subsidies and grants for capital expenditure	22.76	17.33	17.70
- Development and financial contributions	2.96	3.08	3.08
add Statement of comprehensive revenue and expense:			
- Unrealised gain/(loss) on PIF	9.10	9.17	9.17
- Disposals gain/(loss) from sale of assets	4.80	4.66	4.66
- Vested assets	4.30	4.40	4.40
Total operating revenue as per statement of comprehensive revenue and expense	202.25	212.66	210.89
Applications of operating funding			
Total applications of operating funding (B)	135.57	147.75	149.45
add Statement of comprehensive revenue and expense:			
- Depreciation and amortisation expenses	41.86	45.09	45.05
- Revaluation (gain)/loss on forestry	(0.17)	0.90	(0.14)
Total operating revenue as per statement of comprehensive revenue and expense	177.26	193.74	194.36



Contact NPDC

P: 06-759 6060 E: enquiries@npdc.govt.nz

More information: npdc.govt.nz



[NewPlymouthDistrictCouncil](https://www.facebook.com/NewPlymouthDistrictCouncil)



[@NPDCouncil](https://twitter.com/NPDCouncil)