



Te Kaunihera-ā-Rohe o Ngāmotu

**New Plymouth
District Council**

ANNUAL REPORT

2021/22



Welcome to NPDC's Annual Report for 2021/22

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

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

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

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



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Mayor's Message

Te Karere ā te Māngai ā-Kaunihera

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

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

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

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



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

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

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

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

A handwritten signature in black ink, appearing to read 'Neil Holdom'. The signature is fluid and cursive.

Neil Holdom
Mayor

Acting Chief Executive's Message

Karere ā te Tumu Whakarae o nāianeī



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

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

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

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

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

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

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

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

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

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

A handwritten signature in blue ink that reads "Miriam".

Miriam Taris
Acting Chief Executive

About this report

Kōrero e pā ana ki tēnei pūrongo

Welcome to NPDC's Annual Report for 2021/22

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

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

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

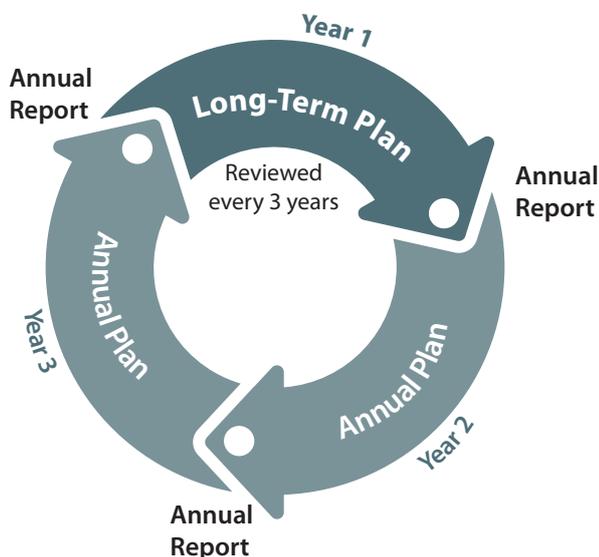
The report is divided into the following sections:

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

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

Being accountable to our community

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



Quarterly reporting

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



Satisfaction surveys

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

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

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

Our year in review

He tirohanga whakamuri



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



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



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



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



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



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



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



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

Working together with Māori

Mahi ngātahi i Ngāi Māori

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

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

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

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

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

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

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

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

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

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



Our performance

Ō mātou whakaaturanga

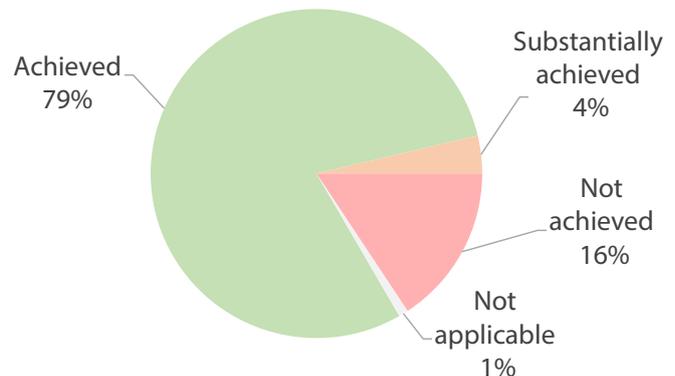
How we performed against our targets for the year

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

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

This year:

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



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

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

Services at a glance



Full compliance with drinking water standards

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



1,285km of roads

62% community satisfaction



521km footpaths

88% in good or excellent condition



11,860 registered dogs

90% community satisfaction with animal control activities



49 playgrounds



21 sports parks

95% community satisfaction



1,001 events provided across all venues

with

170,665 attendees



8 exhibitions

with

63,724 visitors per year



9,588

average customers per week to Puke Ariki and Community Libraries



50 public toilets

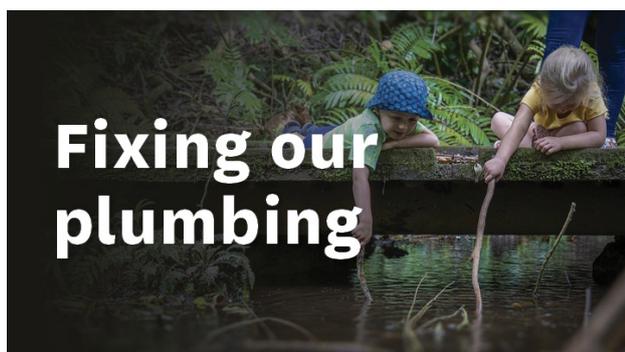
87% community satisfaction

Delivering on our district's priorities

Te whakataki o ō mātou whakaarotau ā-rohe

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

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



Fixing our plumbing

Looking after our existing assets

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

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

Conserving your water

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

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

Improving stormwater management in Waitara

We have focussed on two projects this year.

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

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



Greening our place

Extending our tracks and trails network

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

Delivering on our district's priorities

Te whakataki o ō mātou whakaarotau ā-rohe

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

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

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

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

Rolling out our Climate Action Framework

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

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

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

Planting Our Place

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

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

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



Building a multi-sport hub

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

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

Financial summary

Whakarāpopototanga ā-pūtea

Overall results at a glance

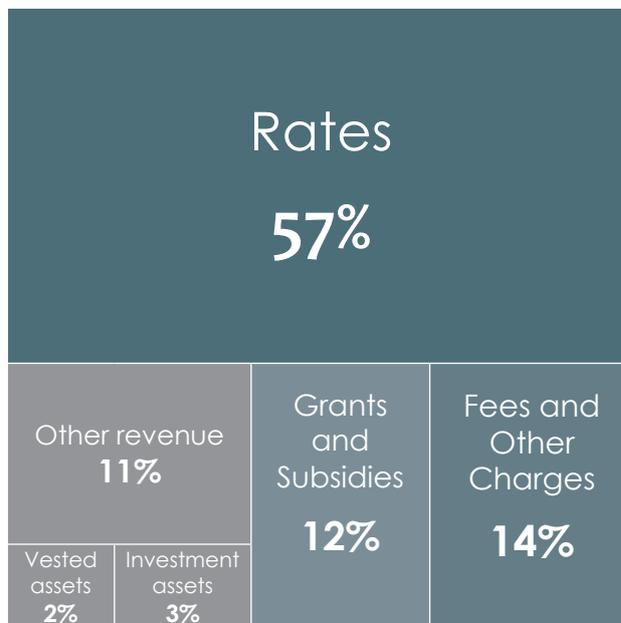
NPDC recorded a surplus for the year of \$5.4m compared to a budget surplus of \$25m. The primary drivers for this variance are the reduction in the Perpetual Investment Fund (PIF) investment gains during the year and the timing of receipting for subsidies and grants.

Operating revenue

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

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

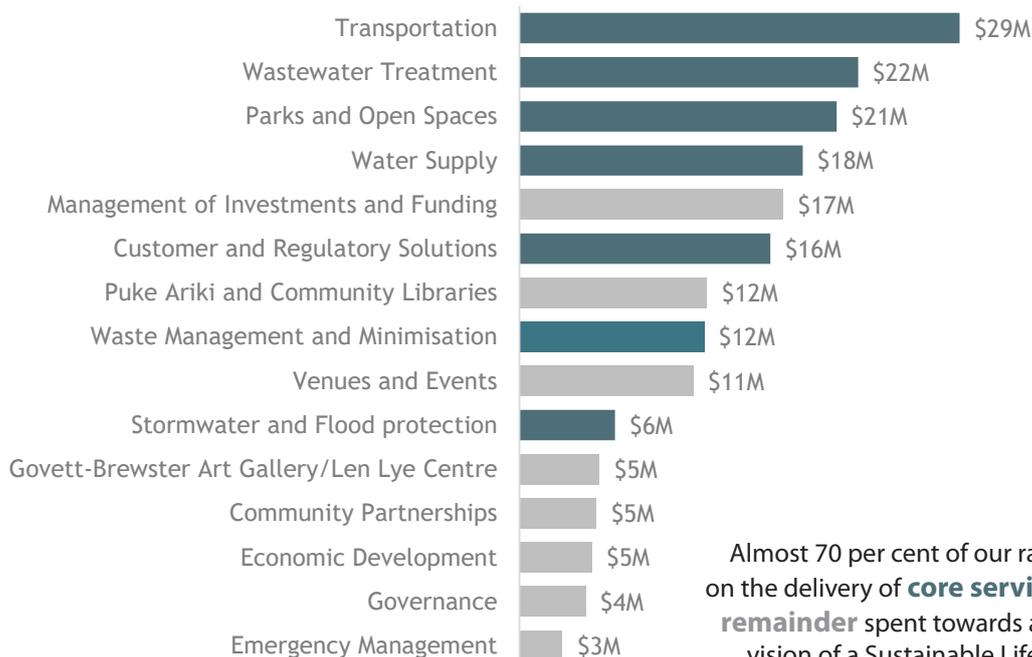
The residential median rate (including GST) was increased in line with our budget by 9.6 in 2021/22, whilst rising interest rates and volatile global investment markets have lower our PIF investment returns below budget by \$16m. The fund closed the year with a balance of \$339m after a release payment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



Operating expenditure

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

Operating expenditure by activity (in millions)



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

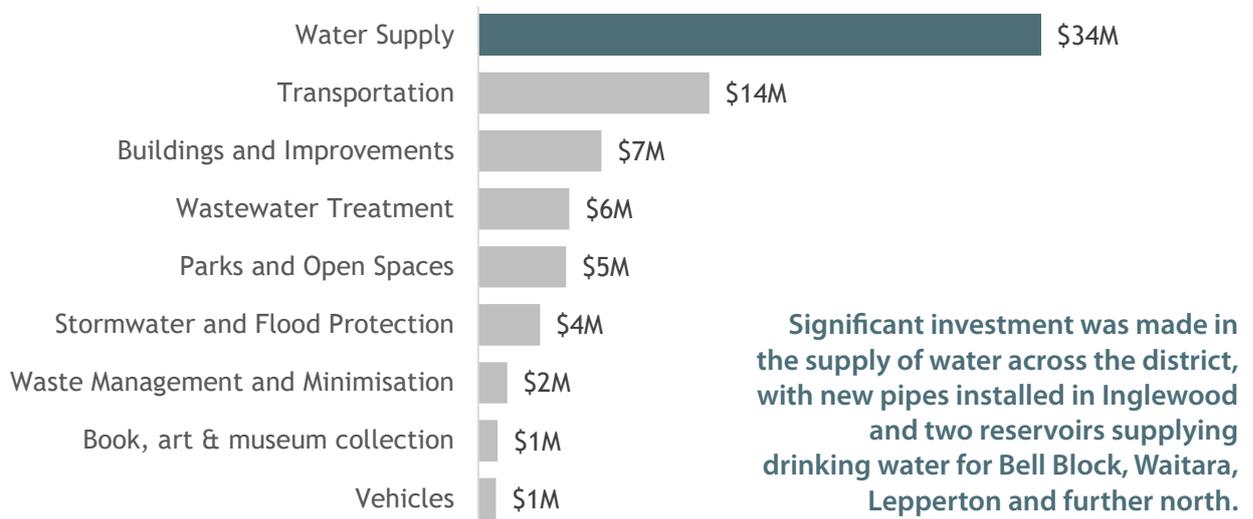
Financial summary

Whakarāpopototanga ā-pūtea

Capital expenditure

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

Capital expenditure by activity (in millions)



Borrowings

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

Council borrowings (in millions)



Financial summary

Whakarāpopototanga ā-pūtea

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

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

Summary Statement of Financial Position as at 30 June 2022

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

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

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

A close-up photograph of water being poured from a glass bottle into a glass. The water is clear and creates ripples and bubbles as it falls. The background is a soft, out-of-focus light color.

Council Services

Ngā Ratonga ā te Kaunihera

Introduction to Council Services

Whakarapopoto ki ngā Ratonga ā-Kaunihera

Our activities and performance

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

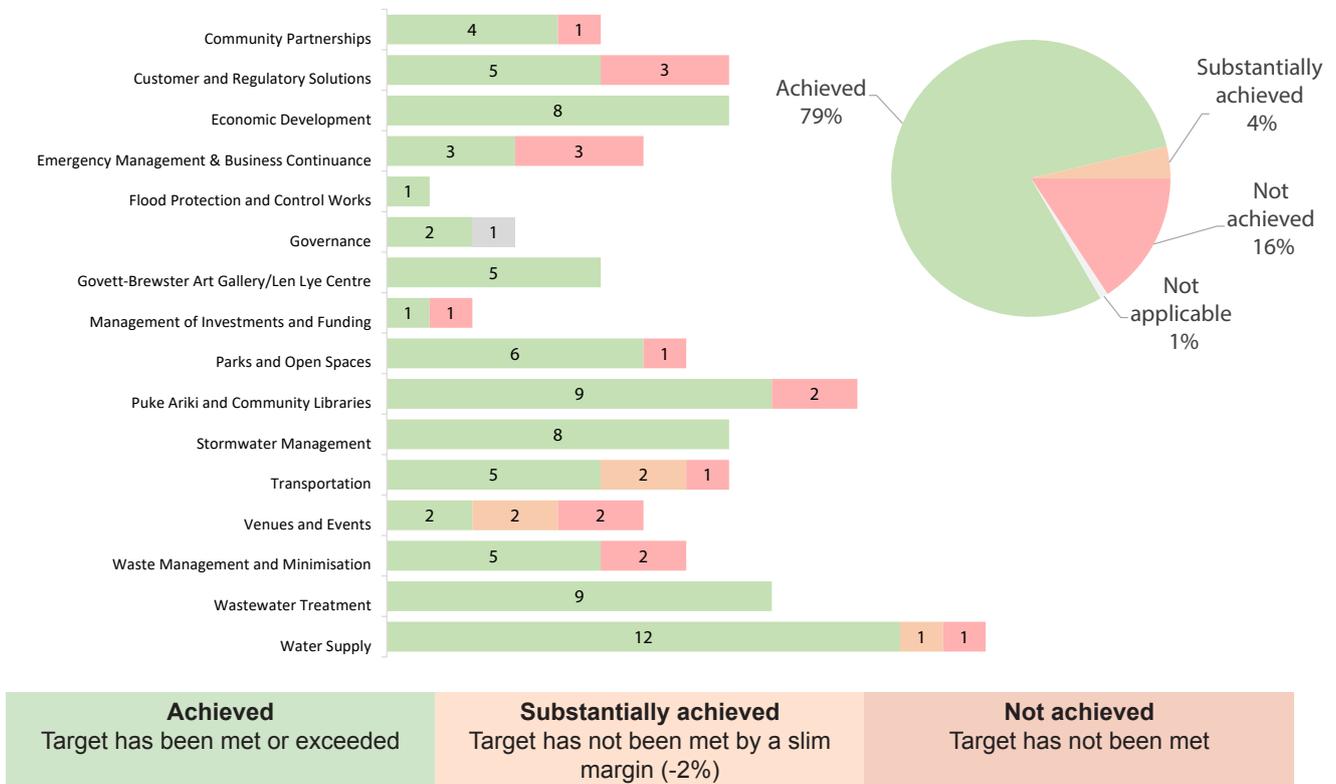
In addition to the 16 activity groups, the Council also carries out internal functions, such as financial management and property maintenance, but the costs of these are allocated over the 16 activities. This is because services such as financial management are 'inputs' into the Council's activities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

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

This year:

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

Performance measures



Community satisfaction survey

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

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

In-house surveys

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

Introduction to Council Services

Whakarapopoto ki ngā Ratonga ā-Kaunihera

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



Partnerships



Delivery



Community



Sustainability



Prosperity

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

Community Partnerships

Ngā rangapū ā-hapori

What we do

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

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

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

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

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



Significant effects on community well-being

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

Significant challenges during the year

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

Community Partnerships

Ngā rangapū ā-hapori

Our commitment to you

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

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

Community Partnerships

Ngā rangapū ā-hapori

Funding Impact Statement for the year ended 30 June 2022

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

Variance explanation Actual 2021/22 to LTP 2021/22

There are no material variances for this activity.

Customer and Regulatory Solutions

Ngā Whakatika i ngā Kiritaki me ngā Waeture

What we do

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

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

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

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



Significant effects on community well-being

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

Significant challenges during the year

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

Customer and Regulatory Solutions

Ngā Whakatika i ngā Kiritaki me ngā Waeture

Our commitment to you

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

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

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

Customer and Regulatory Solutions

Ngā Whakatika i ngā Kiritaki me ngā Waeture

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

Customer and Regulatory Solutions

Ngā Whakatika i ngā Kiritaki me ngā Waeture

Funding Impact Statement for the year ended 30 June 2022

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

Variance explanation Actual 2021/22 to LTP 2021/22

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

Economic Development

Whakawhanake Ohaoha

What we do

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

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

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

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



Significant effects on community well-being

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

Significant challenges during the year

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

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

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

Economic Development

Whakawhanake Ohaoha

Our commitment to you

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

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

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

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

Economic Development

Whakawhanake Ohaoha

Funding Impact Statement for the year ended 30 June 2022

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

Variance explanation Actual 2021/22 to LTP 2021/22

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

Emergency Management and Business Continuance

Whakahaere Wā Mōrearea me te Tōnuitanga Pakihi

What we do

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

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

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

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

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



Significant effects on community well-being

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

Significant challenges during the year

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

Emergency Management and Business Continuance

Whakahaere Wā Mōrearea me te Tōnuitanga Pakihi

Our commitment to you

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

Emergency Management and Business Continuance

Whakahaere Wā Mōrearea me te Tōnuitanga Pakihi

Funding Impact Statement for the year ended 30 June 2022

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

Variance explanation Actual 2021/22 to LTP 2021/22

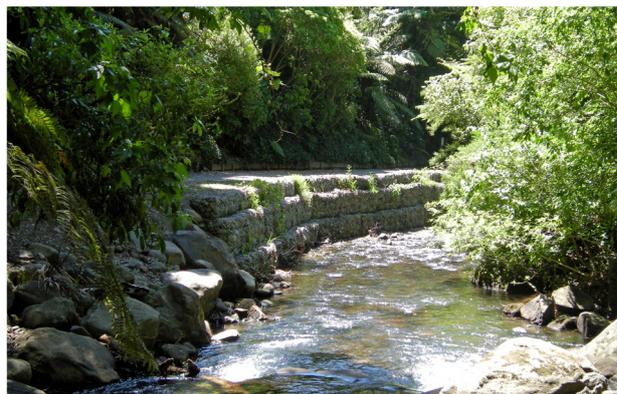
- Revenue is higher than forecast due to unbudgeted contributions towards regional recovery operations following Covid-19 (recognised as unbudgeted expenditure under the Economic Development Council Service).

Flood Protection and Control Works

Tiakina Waipuke me ngā Mahinga Whakahaere

What we do

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



Significant effects on community well-being

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

Significant challenges during the year

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

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

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

Our commitment to you

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

Flood Protection and Control Works

Tiakina Waipuke me ngā Mahinga Whakahaere

Funding Impact Statement for the year ended 30 June 2022

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

Variance explanation Actual 2021/22 to LTP 2021/22

There are no material variances for this activity.

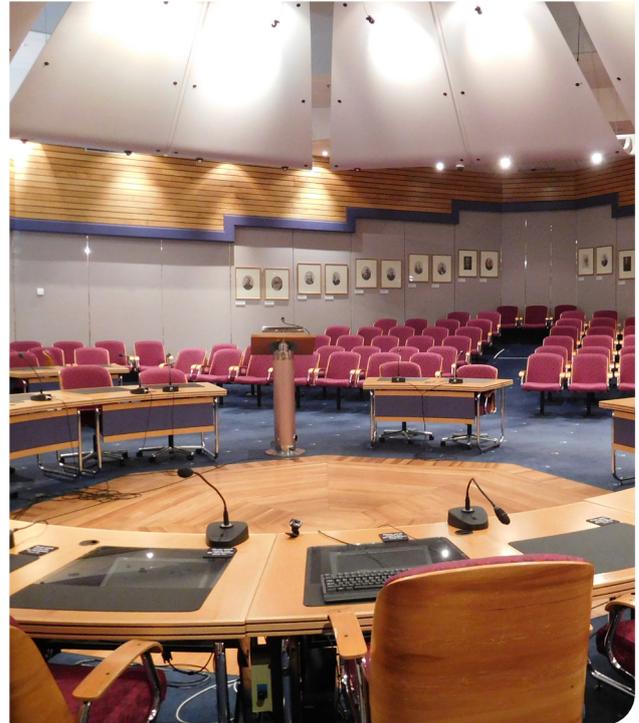
Governance

Kāwanatanga

What we do

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

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



Significant effects on community well-being

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

Significant challenges during the year

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

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

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

Governance

Kāwanatanga

Our commitment to you

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

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

Governance

Kāwanatanga

Funding Impact Statement for the year ended 30 June 2022

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

Variance explanation Actual 2021/22 to LTP 2021/22

There are no material variances for this activity.

Govett-Brewster Art Gallery/Len Lye Centre

Te Whare Toi ā Govett-Brewster me Len Lye

What we do

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

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

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



Significant effects on community well-being

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

Significant challenges during the year

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

Govett-Brewster Art Gallery/Len Lye Centre

Te Whare Toi ā Govett-Brewster me Len Lye

Our commitment to you

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

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

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

Govett-Brewster Art Gallery/Len Lye Centre

Te Whare Toi ā Govett-Brewster me Len Lye

Funding Impact Statement for the year ended 30 June 2022

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

Variance explanation Actual 2021/22 to LTP 2021/22

There are no material variances for this activity.

Management of Investments and Funding

Whakahaere o ngā Haumitanga me ngā Pūtea Mōni

What we do

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

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

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



Significant effects on community well-being

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

Significant challenges during the year

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

Management of Investments and Funding

Whakahaere o ngā Haumitanga me ngā Pūtea Mōni

Our commitment to you

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

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

² Council in compliance with all measures as per below:

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

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

Management of Investments and Funding

Whakahaere o ngā Haumitanga me ngā Pūtea Mōni

Funding Impact Statement for the year ended 30 June 2022

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

Variance explanation Actual 2021/22 to LTP 2021/22

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

Parks and Open Spaces

Ngā Papa Rēhia me ngā Wāhi Tuwhera

What we do

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

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

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



Significant effects on community well-being

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

Significant challenges during the year

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

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

Parks and Open Spaces

Ngā Papa Rēhia me ngā Wāhi Tuwhera

Our commitment to you

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

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

Parks and Open Spaces

Ngā Papa Rēhia me ngā Wāhi Tuwhera

Funding Impact Statement for the year ended 30 June 2022

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

Variance explanation Actual 2021/22 to LTP 2021/22

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

Puke Ariki and Community Libraries

Puke Ariki me ngā Whare Pukapuka ā-hapori

What we do

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

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

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

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



Significant effects on community well-being

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

Significant challenges during the year

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

Puke Ariki and Community Libraries

Puke Ariki me ngā Whare Pukapuka ā-hapori

Our commitment to you

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

Puke Ariki and Community Libraries

Puke Ariki me ngā Whare Pukapuka ā-hapori

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

Puke Ariki and Community Libraries

Puke Ariki me ngā Whare Pukapuka ā-hapori

Funding Impact Statement for the year ended 30 June 2022

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

Variance explanation Actual 2021/22 to LTP 2021/22

There are no material variances for this activity.

Stormwater Management

Whakahaere Wai Marangai

What we do

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

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

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



Significant effects on community well-being

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

Significant challenges during the year

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

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

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

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

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

Stormwater Management

Whakahaere Wai Marangai

Our commitment to you

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

Stormwater Management

Whakahaere Wai Marangai

Funding Impact Statement for the year ended 30 June 2022

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

Variance explanation Actual 2021/22 to LTP 2021/22

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

Transportation

Ngā waka kawenga

What we do

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

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

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

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



Significant effects on community well-being

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

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

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

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

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

Significant challenges during the year

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

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

Transportation

Ngā waka kawenga

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

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

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

Our commitment to you

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

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

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

Transportation

Ngā waka kawenga

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

³ Service request timeframes:

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

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

Transportation

Ngā waka kawenga

Funding Impact Statement for the year ended 30 June 2022

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

Variance explanation Actual 2021/22 to LTP 2021/22

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

Venues and Events

Ngā hinonga me Ngā Whakaaturanga

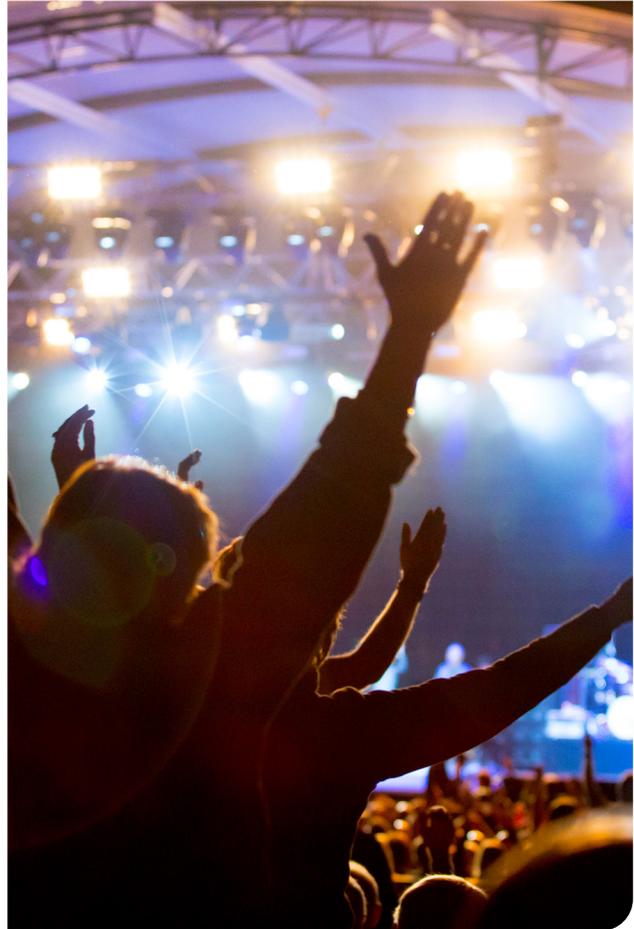
What we do

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

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

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

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



Significant effects on community well-being

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

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

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

Significant challenges during the year

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

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

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

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

Venues and Events

Ngā hinonga me Ngā Whakaaturanga

Our commitment to you

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

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

Venues and Events

Ngā hinonga me Ngā Whakaaturanga

Funding Impact Statement for the year ended 30 June 2022

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

Variance explanation Actual 2021/22 to LTP 2021/22

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

Waste Management and Minimisation

Whakahaere Para me tāna Whakaitinga

What we do

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

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

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

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

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



Significant effects on community well-being

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

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

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

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

Waste Management and Minimisation

Whakahaere Para me tāna Whakaitinga

Significant challenges during the year

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

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

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

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

Our commitment to you

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

Waste Management and Minimisation

Whakahaere Para me tāna Whakaitinga

Comply with all resource consents related to waste management and minimisation.

The number of abatement notices received.	0	0	(2020/21: Three - Not achieved)
The number of infringement notices received.	0	0	(2020/21: None - Achieved)
The number of enforcement orders received.	0	0	(2020/21: None - Achieved)
The number of convictions received.	0	0	(2020/21: None - Achieved)

Ensure customers are satisfied with our waste management and minimisation service.

The number of complaints about the Council's waste management and minimisation service received (per 1,000 customers).	2 or less	1.98	There have been 60 complaints from 32,924 customers. The measure allows for 8 or less complaints for each quarter. (2020/21: 1.75 (target 3 or less) - Achieved)
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Waste Management and Minimisation

Whakahaere Para me tāna Whakaitinga

Funding Impact Statement for the year ended 30 June 2022

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

Variance explanation Actual 2021/22 to LTP 2021/22

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

Wastewater Treatment

Rāwekeweke Waipara

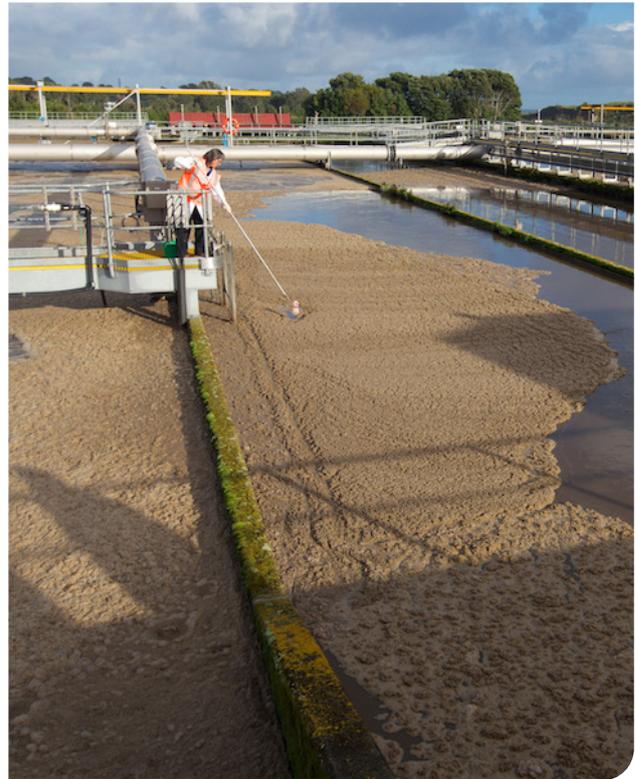
What we do

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

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

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

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



Significant effects on community well-being

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

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

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

Significant challenges during the year

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

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

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

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

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

Wastewater Treatment

Rāwekeweke Waipara

Our commitment to you

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

Wastewater Treatment

Rāwekeweke Waipara

Funding Impact Statement for the year ended 30 June 2022

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

Variance explanation Actual 2021/22 to LTP 2021/22

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

Water Supply

Whakaputunga Wai

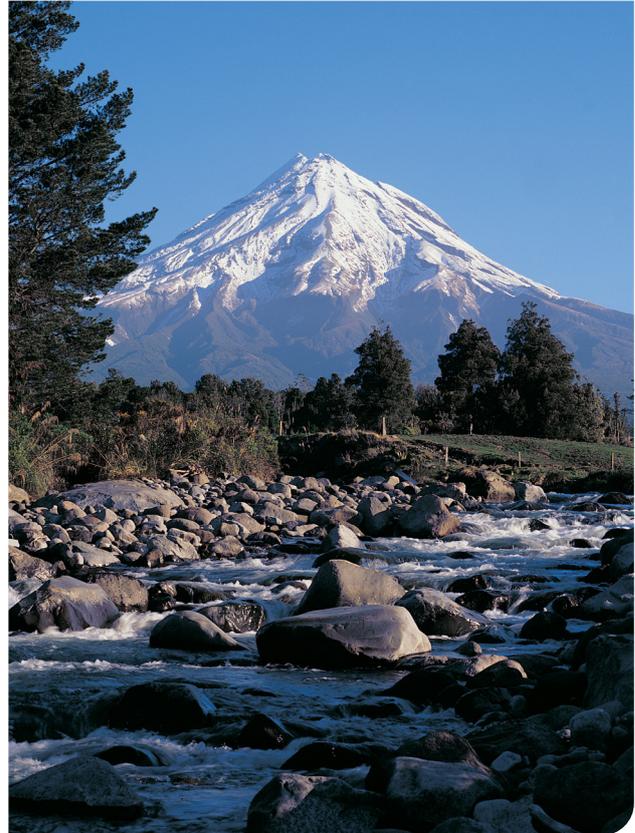
What we do

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

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

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

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



Significant effects on community well-being

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

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

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

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

Significant challenges during the year

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

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

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

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

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

Water Supply

Whakaputunga Wai

Our commitment to you

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

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

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

Water Supply

Whakaputunga Wai

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

Water Supply

Whakaputunga Wai

Funding Impact Statement for the year ended 30 June 2022

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

Variance explanation Actual 2021/22 to LTP 2021/22

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



Financial Statements

Ngā Tauāki Pūtea

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Financial Statements

Ngā Tauāki Pūtea

NEW PLYMOUTH DISTRICT COUNCIL

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

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

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

Financial Statements

Ngā Tauāki Pūtea

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

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

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

Financial Statements

Ngā Tauāki Pūtea

NEW PLYMOUTH DISTRICT COUNCIL

STATEMENT OF CHANGES IN NET ASSETS/EQUITY

for the year ended 30 June 2022

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

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

Financial Statements

Ngā Tauāki Pūtea

NEW PLYMOUTH DISTRICT COUNCIL

STATEMENT OF CASH FLOWS

for the year ended 30 June 2022

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

The accompanying notes form part of these financial statements.

Financial Statements

Ngā Tauāki Pūtea

NEW PLYMOUTH DISTRICT COUNCIL

STATEMENT OF CASH FLOWS (CONTINUED)

for the year ended 30 June 2022

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

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

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

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

1.1 Reporting Entity

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

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

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

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

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

Legislative compliance

Section 98 of the Local Government Act 2002 requires the New Plymouth District Council to prepare and adopt an annual report within four months after the end of each financial year. However, legislation was passed in July 2021 to extend the statutory reporting timeframes by up to two months in order to ensure that there is no reduction in the quality of the financial reporting and the audit of the annual report.

The Annual Report 2021/22 was adopted by resolution of the New Plymouth District Council on 14 March 2023.

1.2 Basis of preparation

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

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

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

Statement of compliance

The financial statements have been prepared:

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

Value-in-use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash-generating assets, value-in-use is determined using an approach based on either

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value-in-use cash-generating assets

Cash generating assets are those assets held with the primary objective of generating a commercial return. The value-in-use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

Foreign currency transactions

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

Budget figures

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

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except billed receivables and payables which include GST. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Cost allocation

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

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

Changes in accounting policies

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

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

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

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

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

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

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

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

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

- Financial instruments

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

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

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

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

- Service performance reporting

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

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Critical accounting estimates and assumptions

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

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

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

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

Impairment of assets

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

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

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

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

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

1.3 Basis of consolidation

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

The group financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date the Council obtains control of the entity and ceases when it loses that control.

1.4 Operating revenue

Accounting policy

Exchange and non-exchange revenue

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

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

Rates revenue

- General rates and uniform annual general charges (UAC) excluding water-by-meter, are recognised at the start of the financial year to which the Council rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Revenue arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis. Revenue is based on the actual usage as a result of meter reading. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of the Taranaki Regional Council (TRC) are not recognised in the financial statements, as the Council is acting as an agent for the TRC.

Development and financial contributions

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are allocated to the appropriate reserve until such time as the Council provides, or is able to provide, the service.

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

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

Other grants

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Landfill fees

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

Sales of goods

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

Infringement fees and fines

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

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

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

Interest and dividends

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

2. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Accounting policy

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

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

Statement of Comprehensive Revenue and Expense

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

Statement of Financial Position

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

3. REVENUE CLASSIFIED AS EXCHANGE OR NON-EXCHANGE TRANSACTIONS

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

4. RATES

Breakdown of rates revenue

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

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

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

5. BREAKDOWN OF SUBSIDIES AND GRANTS

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

6. OTHER REVENUE

a) Breakdown of other revenue

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

b) Breakdown of investment revenue

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

c) Operating leases as a lessor

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

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

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

Covid-19 pandemic response

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

7. PERSONNEL COSTS

a) Personnel costs

Accounting policy

Defined contribution schemes

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

b) Elected representatives

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

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

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

c) Staff employed full-time equivalent

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

d) Individuals receiving total remuneration by band

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

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

e) Severance payments

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

f) Chief executive

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

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

g) Key management personnel

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

8. OTHER EXPENSES

Accounting policy

Operating leases

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

Grant expenditure

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

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application. They are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant.

Interest rate swaps

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

a) Breakdown of other expenses

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

b) Operating leases as lessee

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

9. PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Asset categories

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

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

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

Revaluation

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

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

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

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

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

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

In most instances, an item of property, plant and equipment is recognised at cost. Where an asset is acquired at no cost, or a nominal cost (e.g. vested asset), it is recognised at fair value at the date of acquisition.

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Disposals

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

Depreciation

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Critical accounting estimates and assumptions

Estimating fair value

Infrastructural assets

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

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

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

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

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

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

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

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

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

Waitara Lands Act Land (restricted assets)

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

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

Buildings (operational)

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

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

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Puke Ariki book and museum collections (restricted assets)

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

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

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

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

c) Core infrastructure asset disclosures

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

d) Depreciation and amortisation by group of activities

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

e) Work in progress

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

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

f) Significant capital projects

Significant work in progress for 2021/22 as follows:

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

g) Capital commitments

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

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

h) Insurance cover

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

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

10. INVESTMENT PROPERTY

Accounting policy

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

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

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

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

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

a) Breakdown of investment property and further information

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

b) Revenue and expenses in relation to investment properties

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

c) Valuation

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

11. INTANGIBLE ASSETS

Accounting policy

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

Software acquisition and development

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

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

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

Software as a Service (SaaS)

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

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

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

Carbon credits

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

Amortisation

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

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

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

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

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

12. FORESTRY ASSETS

Accounting policy

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

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

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

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

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

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

Valuation

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

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

No allowance for inflation has been provided.

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

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

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

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

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

13. EQUITY ACCOUNTED INVESTMENTS (JOINT VENTURES)

Accounting policy

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

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

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

Breakdown of investment in joint venture and further information

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

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

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

Risks associated with the Council's investment in joint ventures

Shareholder funding commitments for next three years	21	21	14	16	35	37
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¹ Share of joint venture surplus attributable to Council and Group = gain on forestry assets x Council and Group share of joint venture - total operating expenditure.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

14. OTHER FINANCIAL ASSETS

Accounting policy

a) Financial assets at fair value through surplus or deficit

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

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

b) Loans and receivables

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

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

Impairment

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

c) Fair value through other comprehensive revenue and expense

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

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

d) Subsidiaries

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

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

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

a) Breakdown of Council's investment in subsidiaries

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

b) Unlisted shares in subsidiaries (investment in CCOs)

Papa Rererangi i Puketapu Limited (PRIP)

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

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Tasmanian Land Company (TLC)

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

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

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

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

d) Bonds, shares and other investments (PIF)

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

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

15. WAITARA LANDS ACT

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

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

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

Freehold sales

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

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

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

Leasehold income

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Distributions

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

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

Waitara Lands Act restricted reserves and liability

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

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

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

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

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

16. CASH AND CASH EQUIVALENTS

Accounting policy

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

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

Funds subject to restrictions

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

17. DEBTORS AND OTHER RECEIVABLES

Accounting policy

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

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

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

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

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

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

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

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

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

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

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

18. CREDITORS AND OTHER PAYABLES

Accounting policy

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

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Trade payables	15,750	14,946	16,476	16,180
Deposits and bonds	1,672	1,455	1,672	1,455
Revenue in advance	3,472	7,333	5,108	8,631
Contract retentions	170	402	151	499
Other payables	1,995	644	2,192	1,052
Accrued interest on borrowings	1,125	831	1,125	831
TOTAL CREDITORS AND OTHER PAYABLES	24,184	25,611	26,724	28,648
TOTAL CREDITORS AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS	24,184	25,611	26,724	28,648

19. BORROWINGS

Accounting policy

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

All borrowing costs are recognised as an expense in the period in which they are incurred and are calculated using the effective interest method.

Borrowings are classified as current liabilities unless the Council or Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Interest terms

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

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

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

Security

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

Fair value

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

20. PROVISIONS

Accounting policy

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of future economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

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

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

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

a) Weathertightness claims

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

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

b) Landfill closure and aftercare liability

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

21. EMPLOYEE ENTITLEMENTS

Accounting policy

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

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

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

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

22. TAX

Accounting policy

Income tax

Income tax expense includes components relating to current tax and deferred tax.

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

Deferred tax

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

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

a) Components of tax expense

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

b) Relationship between tax expense and accounting profit

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

c) Current tax asset/(liability)

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

d) Group deferred tax asset/(liability)

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

23. EQUITY AND CAPITAL MANAGEMENT

Accounting policy

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Accumulated funds.
- Ordinary reserves.
- Restricted reserves.
- Asset revaluation reserves.

Accumulated funds

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

Ordinary reserves

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

Restricted reserves

Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfer from these reserves can be made for certain specified purposes or when certain specified conditions are met.

Asset revaluation reserves

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

a) Ordinary and restricted reserves

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

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

b) Purpose of each reserve

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

Renewal and disaster funds

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

Restricted reserves, Trust and bequest funds

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

Other reserves

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

- Smoothing reserve funds

These fund significant costs incurred generally every three years. An annual general charge is made to level out the impacts of these costs on rates. These include asset revaluations, Long-Term Plan audit fee, Council elections and orthophotography. These funds are applied to infrastructural services, some internal services and civic and democracy services.

- Development funds

These arise from development and financial contributions levied by the Council for capital works and are intended to contribute to the growth related capital expenditure in the infrastructural asset activities of Roads, Water Supply, Wastewater, Stormwater, Flood Protection, Parks, Recreation and Events, Puke Ariki and Govett-Brewster Art Gallery/ Len Lye Centre. These reserves also include the waste management and minimisation fund which was set up for capital, renewal and emergency maintenance works associated with the District's solid waste disposal systems.

c) Capital management

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

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

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

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

24. FINANCIAL RISK MANAGEMENT

Accounting policy

Derivative financial instruments

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

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

The Council does not designate any derivatives as hedging instruments.

a) Market risk

Interest rate risk

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

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

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

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

Sensitivity analysis

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

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

b) Credit risk

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

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

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

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

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

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

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

c) Liquidity risk

Management of liquidity risk

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

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

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

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

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

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

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

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

d) Fair value estimation

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

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

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

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

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

e) Reconciliation of movements in liabilities arising from financing activities

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

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

f) Financial instrument risks

Cash flow interest rate risk

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

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

Foreign exchange and equity price risk

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

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

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

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

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

g) Financial instrument categories

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

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

25. RELATED PARTY TRANSACTIONS

The consolidated financial statements include the results and assets and liabilities of the Council and other entities in which the Council has a controlling interest. Any related party disclosures also have been made for transactions with entities within the Group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such Group transactions.

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

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

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

Refer to note 7 for key management personnel disclosures.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

26. CONTINGENT LIABILITIES AND ASSETS

Contingent liabilities

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

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

Emissions Trading Scheme (ETS)

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

Local Government Funding Agency (LGFA)

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

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

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

RiskPool

RiskPool provides public liability and professional indemnity insurance for its members. The Council is a member of RiskPool. The Trust Deed of RiskPool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any fund year, then the board may make a call on members for the fund year. The Council has been asked to make calls in the past for fund years as a result of deficits incurred due to the leaky building issue.

A call for \$100,000 was made by the board of Civic Liability RiskPool during the year to 30 June 2019. There will be no further calls made until the RiskPool is wound up. It is expected that the amount of the call will be less than \$100,000. No call was made during the year to 30 June 2022 (2020/21: \$nil).

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Event underwriting

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

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

Weather events

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

There were no other known material contingent liabilities as at 30 June apart from the disclosed above (2020/21: nil).

Contingent assets

There are no known material contingent assets as at 30 June 2022 (2020/21: nil).

27. FINANCE INCOME AND FINANCE COSTS

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Finance income				
Interest income - term deposits	920	820	942	841
Interest income - related party loans	582	550	-	-
Other interest	-	(677)	-	(677)
Total finance income	1,502	693	942	164
Interest on bank borrowing (note 19)	(6,464)	(5,983)	(6,464)	(5,983)
IRD use of money	(4)	-	(4)	-
Total finance costs	(6,468)	(5,983)	(6,468)	(5,983)
NET FINANCE COSTS	(4,966)	(5,290)	(5,526)	(5,819)

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

28. EVENTS OCCURRING AFTER THE BALANCE DATE

Three Waters Reform

The Government launched the Three Waters Reform Programme in July 2020 to reform local government three water service delivery arrangements. On 2 June 2022 the Government introduced the Water Services Entities Bill to Parliament. On 19 July 2022 Council approved a submission against the Bill and the Reforms.

The Water Services Entities Act 2022 received royal assent on 14 December 2022. The Act establishes four publicly owned water services entities to take over responsibilities for three waters service delivery and infrastructure from local authorities from 1 July 2024, or earlier by Order in Council. In December 2022, the Government introduced two additional water services Bills, one of which will enable the transfer of three waters related assets and liabilities to the water services entities. Until the Bills receive royal assent, the financial impact of the transfer on the New Plymouth District Council Group remains uncertain.

The Act specifies the ownership, governance and accountability arrangements for four new water service entities, including provisions for the Western-Central Water Services Entity to pay Council an amount equivalent to the total debt related to water services infrastructure. Council water services (water, wastewater and stormwater) will be transferred to the Western-Central Water Service Entity on 1 July 2024, and NPDC will hold two shares in that Entity.

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

Future for Local Government review

The Government established the Future for Local Government Review in April 2021 to investigate the future of local government and make recommendations on the roles and functions, representation and governance arrangement, and funding and financing of local government. The review panel released its draft report on 28 October 2022.

Resource Management Act replacement

In February 2021 the Government announced it would repeal the Resource Management Act 1991 and replace it with three different Acts. The Natural and Built Environments Bill and the Spatial Planning Bill were introduced to Parliament on 15 November 2022.

Other matters

On 8 July 2022 the Council accepted the resignation of Chief Executive Craig Stevenson. Jacqueline Baker became Acting Chief Executive until 14 September 2022 when Miriam Taris began a six month role as Interim Chief Executive. On 20 December 2022 the Council appointed Gareth Green to the Chief Executive position from 27 March 2023.

The Council decided to promote the New Plymouth District Council (Perpetual Investment Fund) Bill to Parliament on 27 September 2022. This Bill provides principles and requirements for the future management of the Perpetual Investment Fund. On 7 December 2022 this Bill received its first reading and was referred to the Governance and Administration Committee.

The Council agreed on 20 December 2022 to approve an additional \$24.5m budget for the renewal of the Thermal Dryer Facility at the New Plymouth Wastewater Treatment on top of the budget included in the Long-Term Plan 2021-2031. The Council also agreed to delay the main control and laboratory building renewal to 2027/28 and 2028/29.

Funding Impact Statement

Ngā tuhituhi ki ngā Tauāki Pūtea

NEW PLYMOUTH DISTRICT COUNCIL

FUNDING IMPACT STATEMENT FOR WHOLE OF COUNCIL

for the year ended 30 June 2022

	Annual Plan 2020/21 (\$m)	Annual Report 2020/21 (\$m)	Annual Plan 2021/22 (\$m)	Actual 2021/22 (\$m)
Sources of operating funding				
General rates, uniform annual charges, rates penalties	61.92	61.86	70.42	70.87
Targeted rates	36.04	36.50	39.33	39.52
Subsidies and grants for operating purposes	6.61	7.72	8.95	8.17
Fees and charges	18.24	28.04	25.97	25.72
Interest and dividends from investments	12.54	10.92	12.28	13.67
Local authorities fuel tax, fines, infringement fees, and other receipts	0.85	1.34	1.38	1.22
Total operating funding (A)	136.20	146.38	158.33	159.16
Applications of operating funding				
Payments to staff and suppliers	(131.42)	(136.37)	(131.32)	(134.54)
Finance costs	(7.04)	(5.98)	(6.92)	(6.47)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	(138.46)	(142.35)	(135.58)	(141.01)
Surplus/(deficit) of operating funding (A - B)	(2.26)	4.03	22.76	18.15
Sources of capital funding				
Subsidies and grants for capital expenditure	8.63	10.26	22.76	14.76
Development and financial contributions	2.36	2.26	2.96	3.32
Increase in debt	12.33	28.45	23.03	0.05
Gross proceeds from sale of assets	17.40	26.89	7.68	4.17
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	40.72	67.86	56.43	22.29
Applications of capital funding				
Capital expenditure				
- to meet additional demand	(5.61)	(7.92)	(8.21)	(4.23)
- to improve the level of service	(12.41)	(25.36)	(30.32)	(26.42)
- to replace existing assets	(31.74)	(25.03)	(41.03)	(30.31)
(Increase)/decrease in reserves	11.30	(95.72)	6.93	(6.47)
(Increase)/decrease of investments	-	82.14	(6.56)	26.97
Total applications of capital funding (D)	(38.46)	(71.89)	(79.19)	(40.45)
Surplus/(deficit) of capital funding (C - D)	2.26	(4.03)	(22.77)	(18.16)
FUNDING BALANCE (A - B) + (C - D)	-	-	(0.01)	-

Other information to be provided

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

Depreciation and amortisation expense

Depreciation expense	36.74	43.59	41.86	43.02
less deferred/unfunded	(18.30)	(24.41)	(19.30)	(20.46)
Net funding transferred to renewals reserves	18.44	19.18	22.57	22.57

Disclosure Statement

Tauāki Whawhāki

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

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

Rates affordability benchmark

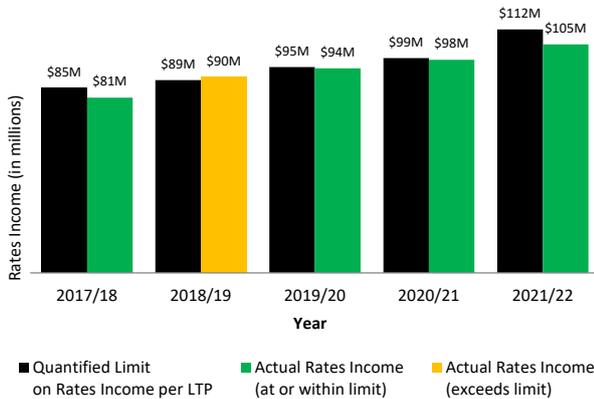
The Council meets the rates affordability benchmark if:

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

Rates income benchmark

The following graph compares The Council's actual rates income in actual dollars with the quantified limit on rates contained in the Financial Strategy included in the Council's Long-Term Plans (LTP).

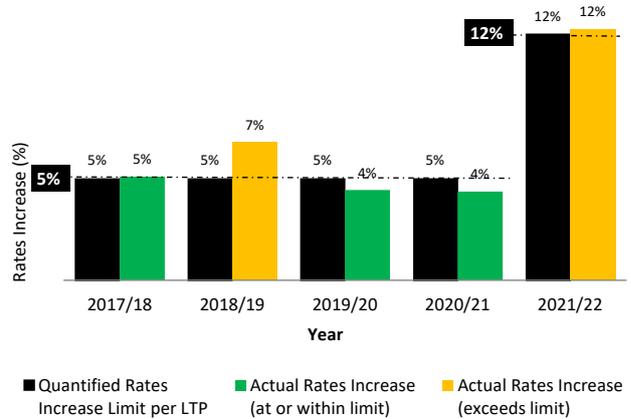
In 2018/19 the Council resolved to exceed the rates limit to achieve outcomes proposed in the LTP 2018-2028.



Rates increases benchmark

The following graph compares NPDC's actual rates increases with a quantified limit on rates increases contained in the Financial Strategy included in NPDC's LTP. The quantified limit for 2017-2021 is that the rates increase will not exceed the five per cent limit set in the LTP 2015-2025 and 2018-2028. For 2021/22 it must not exceed the 12 per cent limit set in the LTP 2021-2031.

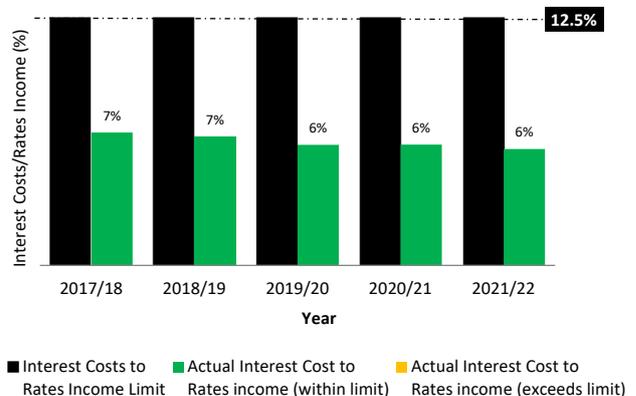
In 2018/19 NPDC resolved to exceed the rates limit to achieve outcomes proposed in the LTP 2018-2028. In 2021/22 Council actual rates have exceeded the limit by 0.2%.



Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the Financial Strategy included in the Council's LTP. The quantified limit is that interest costs on external debt should be less than 12.5 per cent of annual rates revenue.



Disclosure Statement

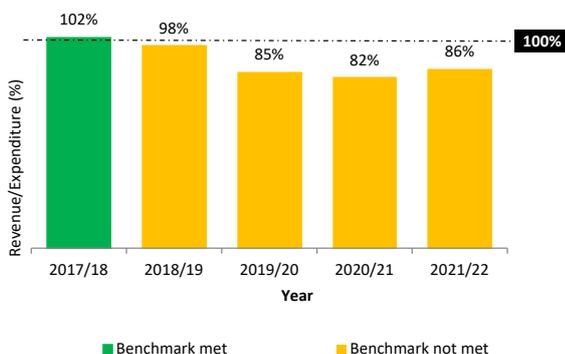
Tauāki Whawhāki

Balanced budget benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative instruments and revaluations of property, plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment). The Council meets this benchmark if its revenue equals or is greater than its operating expenses.

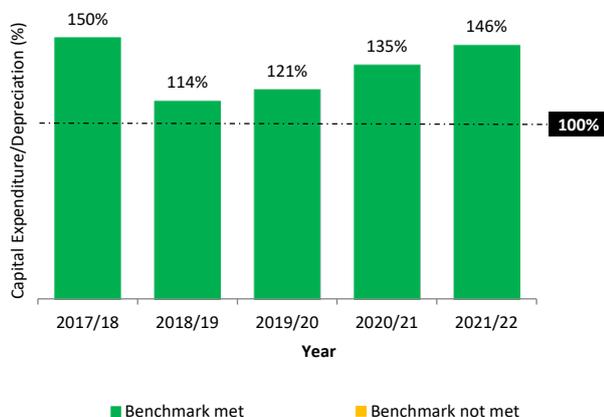
The benchmark has not been met since the introduction of the Waitara Lands Act in 2018/19, requiring the recognition of the net income from the section sales as a liability to be distributed.

In addition, from 2019/20 the results had declined further due to increased depreciation on long life assets, because of the 30 June 2019 revaluation, not being funded by current ratepayers.



Essential services benchmark

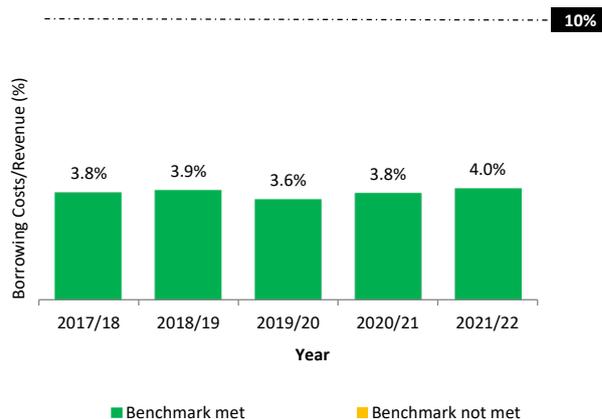
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services is greater than depreciation on network services.



Debt servicing benchmark

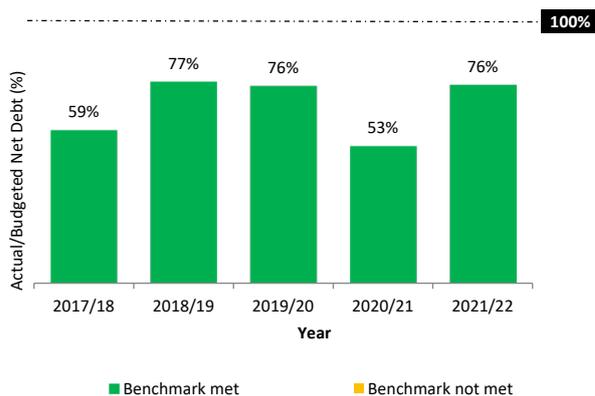
The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative instruments and revaluations of property, plant or equipment).

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



Debt control benchmark

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



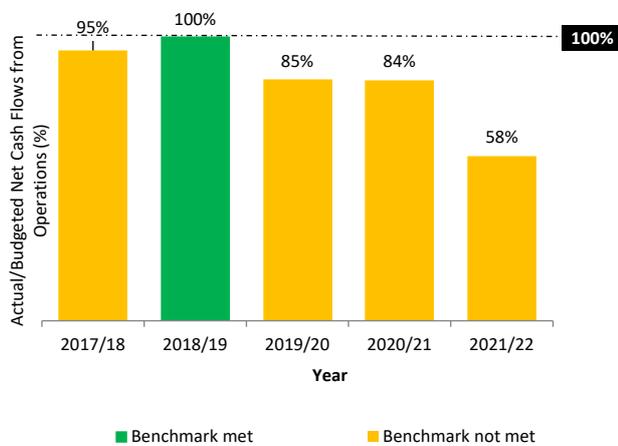
Disclosure Statement

Tauākī Whawhāki

Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

On the occasions where the benchmark was not met this was primarily due to fluctuations in investment income and the recognition of the Waitara Lands Act distributions. In 2021/22, the timing of budgeting and receipting of government grants has impacted on the results being lower than prior years.



Council Controlled Organisations

Ngā Tōpūtanga Mā Te Kaunihera e Whakahaere

The Council is a shareholder or has an ownership interest in the following Council Controlled Organisations:

- Forestry Joint Ventures
- New Plymouth PIF Guardians Limited
- Papa Rererangi i Puketapu Limited.
- Tasmanian Land Company Limited
- Venture Taranaki Trust



Forestry Joint Ventures

Nature and scope of activity

The Council has two joint venture forestry developments that have varying levels of Council ownership (55 to 57 per cent) and are therefore deemed to be Council Controlled Organisations. For convenience they are covered by one combined statement of intent. The woodlots will complement the harvest regime of the Council's own forestry investment activities.

Forest plantations have been established under the following agreements:

- McKay Family Joint Venture (56.5 per cent) – 83.5 hectares.
- Duthie Joint Venture (54.8 per cent) – 22.7 hectares.

Under the joint venture agreements a total of 113 hectares are managed. The landowners of each joint venture provide land and property related inputs. The Council provides management and tending programmes for the crop. Both parties share the returns from the forest harvest on an agreed ration of respective inputs.

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

Key performance results for 2021/22

Operational performance

1. Complete all programmes outlined in the Forest Management Plans and Agreements.

Assessment: The regime set out in the joint venture agreement was fully completed historically. Aside from inspection and general maintenance, no further work has been required subsequent to this. All programmes outlined in the Forest Management Plan for 2021/22 have been completed.

2. Report annually in compliance with agreements.

Assessment: The joint venture forest has been inspected by PF Olsen Limited with reports sent to the owners annually.

Financial Performance

	Actual 2021/22 (\$m)	Budget 2021/22 (\$m)	Projected 2022/23 (\$m)	Projected 2023/24 (\$m)
Operating expenditure (NPDC funded)	18	14	16	7

Significant policies and objectives on ownership and control

These joint ventures were originally set up to augment the harvest rotation for Council owned forestry. The Council will currently retain the joint ventures to harvest and then review its future position. There are no formal board structures.

New Plymouth PIF Guardians Limited

Nature and scope of activity

New Plymouth PIF Guardians Limited (NPG) is a 100 per cent Council owned company with an independent board of directors. NPG was formally Taranaki Investment Management Limited and changed its name during 2017 when Council resolved to change the organisational architecture for the management of the Perpetual Investment Fund (PIF) by moving to a full outsourced model. Mercer New Zealand Limited (Mercer) manage the PIF.

Key performance results for 2021/22

Operational performance

A Governance Deed was entered into between the Council and NPG on 1 March 2017 and sets out the objectives for the management of the PIF:

1. Portfolio return target: A prime focus for the Council is to ensure that returns from the PIF are at a level that meets its objectives for the fund. The total return on the portfolio (net of all costs) measured on a rolling five-year basis is currently a target of 3.3 per cent per annum plus NZ inflation (as measured by the Consumers Price Index).

Assessment: Actual return net of costs was 0.9 per cent for the 12 month period to 30 June 2022. The total return of the portfolio for the past five years is 7.9 per cent per annum which is 1.6 per cent above the rolling five year target. Actual returns were affected by the lingering effect of Covid-19 on global economic growth uncertainty. Coupled with higher inflation and increased interest rates, the listed investment markets were volatile and suffered declines over the last 12 months, resulting in actual PIF returns for the year ending 30 June 2022 being lower than forecast.

2. Market comparison target: The portfolio has two distinct categories of assets:

- a) Listed Securities (equities/fixed income/cash) comprising \$198m.

The return on this proportion of the portfolio is targeted to be 0.5 per cent per annum above the weighted average benchmark, before fees. NPG will measure and report on these securities quarterly, annually and on a rolling five year basis.

Assessment: The total gross return on Listed Securities for the 12 month period to 30 June 2022 was -7.1 per cent which was 0.7 per cent better than the benchmark of -7.8 per cent.

- b) Unlisted Securities (private equity/alternative assets) comprising \$141.1m.

These assets are illiquid, are largely not traded on markets and are valued infrequently. Therefore performance cannot be compared to benchmark returns on a short term basis. NPG will report on the performance of these securities annually.

Assessment: The return for the 12 month period to 30 June 2022 from private equity and alternative assets was 16.3 per cent.

3. Reporting target

Provide a quarterly report to the shareholder covering activities undertaken by the Company, and the performance of and significant issues relating to the Perpetual Investment Fund. The report will provide the information outlined in the Governance Deed.

Assessment: Quarterly reports have been provided throughout the year with information provided as per the Governance Deed.

4. Timely response target

Provide investment advice within one month to the shareholder on any significant developments that may have an impact on either the income stream to the Council or the value of the Council's PIF.

Assessment: Information has been provided by the Directors in a timely manner throughout the year. Mercer provided monthly reports to the shareholder during the year.

New Plymouth PIF Guardians Limited

Financial Performance

1. NPG is operated on a full cost recovery basis and is therefore budgeted to operate at a nil net cost.

Assessment: Net profit for the year was nil. The sum below reflects its expected management costs, which are charged to the Council.

	Actual 2021/22 (\$m)	Budget 2021/22 (\$m)	Projected 2022/23 (\$m)	Projected 2023/24 (\$m)
Operating revenue/expenditure	239	278	281	284
Net profit	-	-	-	-

Fund Performance

1. PIF release payment and closing balance of the fund target.

Assessment: Release payment was as planned however, as mentioned in the Portfolio return target above, actual returns were affected by the lingering effect of Covid-19 on global economic growth uncertainty. Coupled with higher inflation and increased interest rates, the listed investment markets were volatile and suffered declines over the last 12 months, resulting in actual PIF returns for the year ending 30 June 2022, and consequently the closing balance of the fund, being lower than forecast.

	Actual 2021/22 (\$m)	Budget 2021/22 (\$m)	Projected 2022/23 (\$m)	Projected 2023/24 (\$m)
Release payment	9.7	9.3	9.8	10.3
Closing balance of the fund	339.9	345.4	355.0	364.6

2. Maintain PIF within the strategic asset allocation (SAA) target.

Assessment: The fund was within the SAA ranges during the twelve month period to 30 June 2022.

Significant policies and objectives on ownership and control

The performance of Mercer will be monitored and reviewed by NPG, a Council Controlled Organisation with a board of highly experienced directors.

Papa Rererangi i Puketapu Limited

Nature and scope of activity

In July 2017, the Council established Papa Rererangi i Puketapu Ltd (PRIP) as a separate Council Controlled Trading Organisation (CCTO) to manage the full operations of New Plymouth Airport and to oversee a major redevelopment of the Airport's terminal and surrounding infrastructure. The Council still retains ownership of the Airport company, the Aerodrome Operator Certificate and is the sole Shareholder.

The organisation is classed as a semi-commercial investment within the Council's Investment Policy.

PRIP's prime purpose is to operate the Airport on a sustainable commercial basis, to optimise the use of its assets and generate a reasonable return on investment. To ensure the ongoing safe and successful operation of the Airport, whilst facilitating the growth of tourism and trade by working with key stakeholders to sustainably increase passenger numbers and develop other commercial activity.

The Airport provides services to allow the safe and efficient facilitation of travellers and freight and, ancillary to this, it leases terminal space and land at the Airport.

In the management of the Airport operations, PRIP has the autonomy to set the following charges at the Airport:

- Fees and associated charges in respect to vehicle parking.
- Landing and parking charges from regular passenger transport services.
- Landing and parking charges from general aviation aircraft.
- Revenue from tenant's leases and rents, licences, concession based contracts and lessees outgoings.

As landlord, PRIP also has the power to enter into any building or ground lease agreements on Airport land.

The Airport is viewed as an essential infrastructure asset for the district and the Taranaki region and has a key role to play in the economic performance, growth and development of the area. PRIP will work collaboratively with the Council, the Venture Taranaki Trust, the Taranaki Chamber of Commerce, New Plymouth Partners, the iwi and hapū and other relevant key stakeholders, ensuring a combined approach to achieve the region's desired strategic goals.

Key performance results for 2021/22

Operational performance

1. Maintain the Airport facilities to avoid any disruption of scheduled commercial flights other than for weather or airline related problems.

Assessment: The existing Airport facilities have been well maintained throughout the year and there has been no diversion of regular passenger transport services resulting from Airport operations.

2. Meet all the operating, maintenance, capital expenditure and interest cost.

Assessment: All operating costs associated with the day-to-day management of the Airport have been met from Airport revenue. Loans have been made available from NPDC to assist with capital expenditure, with interest also being fully serviced from Airport revenue. Due to the ongoing recovery from the worldwide pandemic (Covid-19) and further lockdown measures during August to December 2021, airport operations have been impacted, passenger numbers and revenue have been lower than forecast in the 2021/22 budget.

3. Manage New Plymouth Airport in full compliance with the approved operating procedures of the Civil Aviation Authority Rule Part 139.

Assessment: Under an agreement with the Civil Aviation Authority (CAA), PRIP manages the Airport on behalf of the Aerodrome Operator Certificate holder, NPDC. During the period the Airport has been managed in full compliance with the CAA Rule Part 139.

Papa Rererangi i Puketapu Limited

Financial Performance

	Actual 2021/22 (\$m)	Budget 2021/22 (\$m)	Projected 2022/23 (\$m)	Projected 2023/24 (\$m)
Operating revenue	4,632	6,417	7,748	8,300
Operating expenditure	(3,328)	(3,015)	(3,105)	(3,200)
Depreciation, interest and tax	(2,242)	(2,118)	(2,755)	(3,099)
Net profit/(loss) before tax	(938)	1,284	1,888	2,001

Revenue assessment: Covid-19 and the subsequent lockdowns had a significant impact. Passenger numbers were budgeted at 365,000 but actuals were 243,828. The major revenue streams, landing charges, car parking and café revenues all were lower as a result. PRIP requested and received the Wage Subsidy and other government support of \$70,081 in 2021/22.

Expenses assessment: Operational expenses were over budget due to the closure of the terminal tenant The Hangar, consultancy fees were also a contributing factor due to planning requirements and future planning.

Significant policies and objectives on ownership and control

PRIP operates as a standalone company governed by an independent skills based Board of directors and employs its own Chief Executive and staff. All Airport operations and assets are managed by the PRIP Chief Executive who has overall responsibility for implementing the company's strategic direction.

Tasmanian Land Company Limited

Nature and scope of activity

New Plymouth District Council is a 100 per cent shareholder in Tasmanian Land Company Limited (TLC). TLC owned 100 per cent of Tasman Farms Limited (TFL) and its subsidiary The Van Diemen's Land Company (VDL).

The business operations of TLC were sold on 31 March 2016. As at 30 June 2020, TLC remained a Council Controlled Organisation.

On 21 June 2018, TFL was placed into members' voluntary liquidation. The \$0.9m balance remaining with TLC will be transferred to Mercer in the future, once all the companies in the group have been wound up.

The wind up is delayed due to a dispute regarding a possible additional milk solids payment from Fonterra Australia. A hearing was held in December 2020 for the claim of AUD\$2.3m by Van Dairy Group Pty Limited (formerly Moon Lake Investments). TLC is awaiting a judgement in relation to the litigation in the Supreme Court of Tasmania.

Significant policies and objectives on ownership and control

This investment forms part of the Council's Investment Policy.

Venture Taranaki Trust

Nature and scope of activity

Venture Taranaki Trust (Venture Taranaki) is a Council Controlled Organisation whose Board of Trustees is appointed by the council. Venture Taranaki is the economic development agency and regional tourism organisation for the Council, responsible for delivering the Council's active economic development and tourism initiatives as set out in its statement of intent. Its vision is "Taranaki – the envy of New Zealand for sustainable business, talent, investment and lifestyle".

Venture Taranaki's objectives are to:

- Provide leadership and support for the development and implementation of local, regional and implementation of local national strategies for the creation of a vibrant and prosperous New Plymouth District economy and Taranaki regional economy.
- Facilitate, promote, encourage and support sustainable enterprise growth, investment and employment opportunities in New Plymouth District and the Taranaki region.
- Support the district's commercial enterprises, large and small, mature or start-up to establish, flourish and prosper.

Key performance results for 2021/22

Operational performance

Activity	Measure	Target		Outcomes 2021/22
Fostering innovation and resilience.	Undertaking environmental scans and regional economic monitoring.	Number of regional monitoring updates released.	4	Achieved. Five updates released, including Taranaki Trends (2), business survey (2) and export Taranaki network.
	Championing innovation and sustainability.	Number of initiatives targeting or supporting innovation and sustainability.	4	Achieved. Four sector diversification initiatives supported.
	Fostering sector diversification and growth.	Number of initiatives targeting sector diversification and growth.	4	Achieved. Five sector diversification initiatives supported.
Enterprise and support enablement.	Enterprise connection and signposting.	Number of referrals and connections made by Venture Taranaki staff.	200	Achieved. 579 referrals recorded.
	Enterprise support.	Net Promoter Scores (NPS) on support experience.	≥+50	Achieved. NPS 62.
		Number of support engagements.	4,000	Achieved. 11,338 client support engagements recorded.
		Breadth of enterprise support activity undertaken (number of different support initiatives).	5	Achieved. 12 enterprise support initiatives delivered.

Venture Taranaki Trust

Activity	Measure	Target	Outcomes 2021/22
Promoting Taranaki as a great place to live, learn, work, invest, create and play.	Overseeing regional events strategy.	Number of engagements with regional events organisers and operators.	25 Achieved. 1,623 engagements recorded.
	Administer the Major Events Fund.	Number of major events funded in accordance with the criteria of NPDC's major events fund.	4 Achieved. 13 events (meeting NPDC criteria) attracted or retained.
	Destination Promotion and Attraction.	Number of destination promotion and attraction initiatives.	2 Achieved. Three campaigns delivered.
		Number of engagements with visitor industry operators (including local operators, other regional tour organisations, national and international tourism agencies).	1,000 Achieved. 1,706 visitor industry engagements recorded.
	Facilitating talent attraction and retention.	Number of talent initiatives.	2 Achieved. 23 talent initiatives delivered
	Identify and facilitating opportunities for investment into and within Taranaki.	Undertake initiatives to support investments in Taranaki.	5 Achieved. Eight initiatives undertaken.
		Supporting/facilitating investment enquiries or opportunities into or within Taranaki.	10 Achieved. 19 investment enquiries recorded.

Financial Performance

Funds received from Council are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the Trust Deed.

	Actual 2021/22 (\$m)	Budget 2021/22 (\$m)	Projected 2022/23 (\$m)	Projected 2023/24 (\$m)
Operating expenditure (NPDC funded)	3.6	3.4	3.5	3.6

Significant policies and objectives on ownership and control

The Council appoints trustees to the Venture Taranaki Trust. This is to ensure the necessary independence, public credibility and specialised governance that the trust needs in order to be effective in delivering economic development programmes, while retaining accountability to the district's community

Auditor's Report

Pūrongo Kaiarotake Pūtea



Independent Auditor's Report

To the readers of New Plymouth District Council's annual report for the year ended 30 June 2022

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

We are also required to report on:

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

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

We completed our work on 14 March 2023. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 70 to 132:
 - present fairly, in all material respects:
 - : the District Council and Group's financial position as at 30 June 2022;
 - : the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 133, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long term plan;
- the Council Services statement on pages 14 to 66:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2022, including:
 - : the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - : the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 18 to 67, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 18 to 67, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

Auditor's Report

Pūrongo Kaiarotake Pūtea

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 134 to 136, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's and Group's audited information and, where applicable, the District Council's long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Emphasis of matter - The Government's three waters reform programme

Without modifying our opinion, we draw attention to note 26 on page 130 which outlines that the Water Services Entities Act 2022 received royal assent on 14 December 2022. The Act establishes four publicly owned water services entities to take over responsibilities for three waters service delivery and infrastructure from local authorities from 1 July 2024, or earlier by Order in Council. In December 2022, the Government introduced two additional water services Bills, one of which will enable the transfer of three waters related assets and liabilities to the water services entities. Until the Bills receive royal assent, the financial impact of the transfer on the District Council and Group remains uncertain.

Basis for our opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

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

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

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

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

Auditor's Report

Pūrongo Kaiarotake Pūtea

Responsibilities of the auditor for the audited information

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Auditor's Report

Pūrongo Kaiarotake Pūtea

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 12, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

In addition to our audit and our report on the disclosure requirement 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 the audit and our report on the disclosure requirements, we have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.



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

Statement of Compliance and Responsibility

Te Tauāki Tūtohu me Takohanga

The Council and management of New Plymouth District Council confirm that all statutory requirements of the Local Government Act 2002 in relation to the Annual Report have been complied with.

Responsibility

The Council and management of New Plymouth District Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.

The Council and management of New Plymouth District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and the management of New Plymouth District Council, the annual financial statements for the year ended 30 June 2022 fairly reflect the financial position, operations and service performance of New Plymouth District Council.



Neil Holdom
Mayor



Miriam Taris
Acting Chief Executive





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npdc.govt.nz



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