

NEW PLYMOUTH. TARANAKI.

Annual Report 2013 / 14



TARANAKI
like no other



Te Kaunihera-ā-Rohe o Ngāmotu
**NEW PLYMOUTH
DISTRICT COUNCIL**
newplymouthnz.com

Strategic Intent

New Plymouth District will offer an attractive living environment that compares favourably nationally and internationally.

It will do this to attract and retain the skilled labour force our community needs to grow and prosper.

The unifying purpose of all New Plymouth District Council services lies in creating an attractive living environment.

New Plymouth District Council will invest in, maintain, assist and encourage others to provide those diverse facilities, infrastructure and services that are needed to make New Plymouth District nationally and internationally a location of choice.

Whāinga Rautaki

Ka whakarite te rohe o Ngāmotu whānui kia rawe te nohonga kāinga, kia pērā i ētehi atu rohe rite te hanga ki Aotearoa, ki tāwāhi hoki.

Ko tōna whāinga, he tō mai i te hunga whai pūkenga, he whakapūmou hoki i ngā kaimahi, kia kaha ake ai tōna tupu me tōna ora.

Ko te aronga tahitanga o te Kaunihera-ā-rohe o Ngāmotu, ko te hiahia kia ahuahua he takiwā huatau, he kāinga ātaahua mō te tangata.

Ka kōkiri te Kaunihera-ā-rohe o Ngāmotu ki te fuku tahua, te tiaki, te tautoko me te whakahau kia rite mai ai ngā kano wāhi, ngā kano whakahaere, ngā kano ratonga e taea ai e te rohe nei o Ngāmotu te tū tiketike rā ki te aroaro o te motu, me whenua kē, hei whiriwhiringa rohe mā rātou.



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Message from Mayor and Chief Executive



Welcome to New Plymouth District Council's Annual Report 2013/14. In this document we look back on the last financial year and report on how we performed against the objectives and direction set with our community.

The 12 months to the end of June have seen international sports, the completion of major projects and planning for future growth, all against a background of improved efficiency and greater affordability within New Plymouth District Council.

The Council recorded a surplus of \$12.8 million, higher than the budgeted surplus of \$8.4m. The over-performance was helped by greater revenues from a number of areas including recreation and events, regulatory services and solid waste.

The Perpetual Investment Fund (PIF) also produced a solid return of 5.7 per cent and the Council's own investment income was up due to greater return from deposits and higher forestry revenue. Revenue was also helped by a positive revaluation of \$2.7m on our interest rate swaps, which are used to hedge our borrowing interest rates.

The Council's expenses were controlled in 2013/14 and were on or below budget for most activities. Our interest expense of \$6.14m was below budget primarily because the Council did not have to make further borrowings due to the timing of the capital expenditure programme.

With regards to major projects, in March we officially opened the upgraded New Plymouth Wastewater Treatment Plant. This Wai Taatari (Filtered Waters) project brought in a new treatment system that has greatly improved the plant's efficiency. A related project also got under way: changing the Waitara Wastewater Treatment Plant into a pumping station so that the town's wastewater can be treated in New Plymouth.

Other significant work included the start of construction of the Len Lye Centre, earthquake-strengthening the TSB Showplace and Govett-Brewster Art Gallery, and improvements for cyclists and walkers through Let's Go (including safety improvements on New Plymouth's Coronation Avenue and building the twin bridges on Te Henui Walkway).

The Council did not complete all of its planned capital programme and there were a number of projects to be carried forward into the 2014/15 financial year, including the Waitara Wastewater Treatment Plan's conversion into a pump station, the identification of a ground water supply for Okato, and roading improvements associated with the Bell Block bypass. There were no material impacts on service levels as a result of the project delays. In addition, work in the residential and commercial growth areas for Bell Block will be reprioritised as part of the 2015/25 Long Term Plan process.

In January 2014 we welcomed the Papua New Guinea, Kenya, Uganda and Netherlands cricket teams to Pukekura Park for three one-day matches in the ICC Cricket World Cup 2014 Qualifier. In May, Super Rugby returned to Yarrow Stadium when the Chiefs played two matches here following Taranaki becoming part of the Chiefs franchise.

During 2013/14 the TSB Bowl of Brooklands was named the New Zealand venue with the best atmosphere after an independent public survey; and Pukekura Park received the internationally respected Green Flag, acknowledging excellence in parks management.

Progress was also made on the future of the Council's endowment lands in Waitara. More changes have come since the end of the 2013/14 year and we will continue to work toward a solution that is beneficial for Te Atiawa, the Crown, the Council and the Waitara community.

All in all, it's been a very busy and exciting year for our great district.

A handwritten signature in black ink, appearing to read 'Andrew Judd'.

Andrew Judd
Mayor

A handwritten signature in black ink, appearing to read 'Barbara McKerrow'.

Barbara McKerrow
Chief Executive

Our District



New Plymouth District is one of the largest districts in New Zealand, comprising 232,400 hectares (2,324.26 square kilometres).

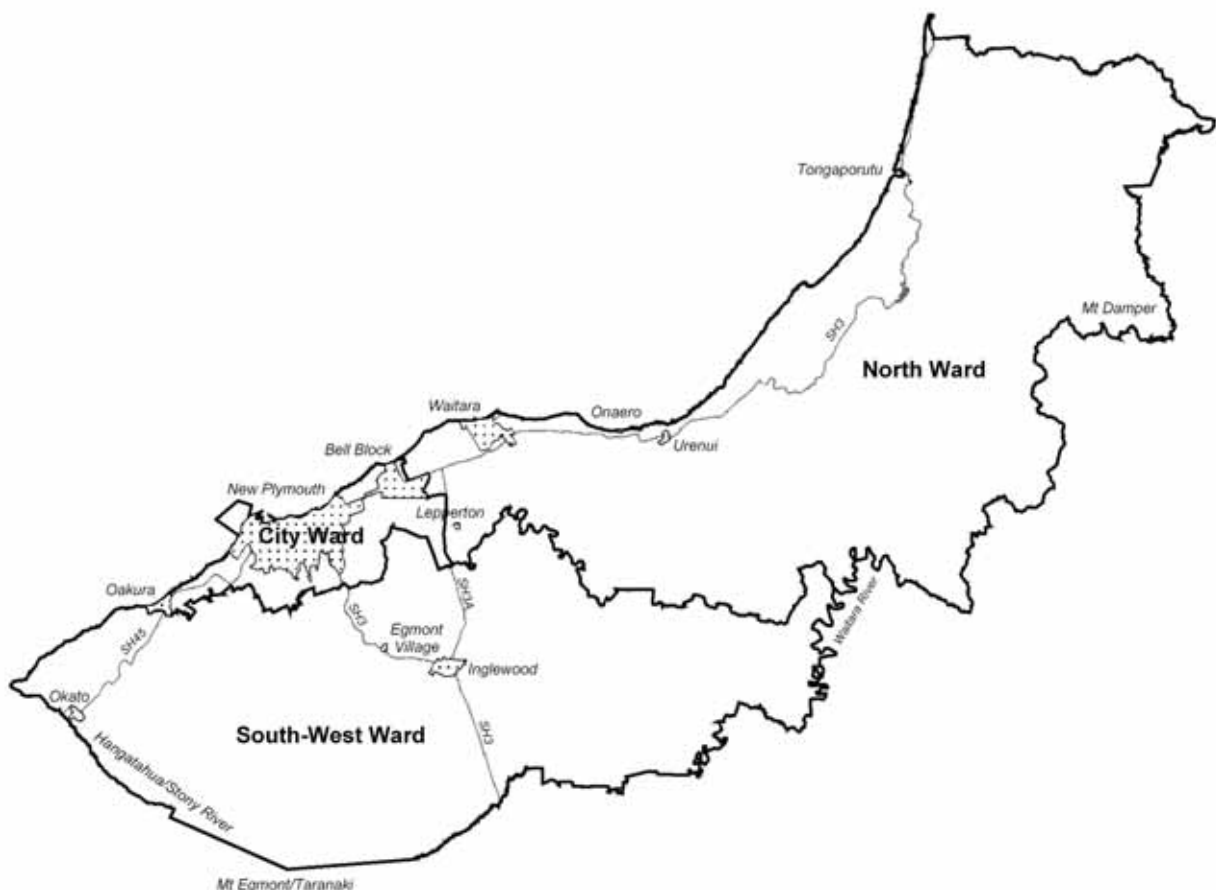
Its long 150 kilometre coastline runs from Mohakatino River in the north to the Stony (Hangatahua) River in the south, and the spectacular landscape includes Mount Taranaki, the mountain's ring plain across to Tariki, and broken hill country in the east.

White and black gold are at the heart of the local economy: the dairy industry (white gold) and petrochemical industry (black gold) provide jobs directly and through supply-chain industries, with other large industries including health care, manufacturing and engineering. Port Taranaki is New Zealand's only deep-water port on the west coast and is one of the busiest ports in the country.

The district's landscape provides an enviable outdoor lifestyle, especially as only five per cent of the district's land is urban. There are 13 official beaches and more than 70 kilometres of walkways. With 219 Council-owned parks and reserves, more than 80 per cent of residents within 400 metres of one.

The district's population of 74,000 is based around the City of New Plymouth, the towns of Waitara, Inglewood, Ōākura and Okato, and many smaller communities. Councillors are elected to New Plymouth District Council via three wards – City Ward, North Ward and South-West Ward – while the Mayor is elected by the entire district.

New Plymouth District has a sound infrastructure for business development and its moderate population growth is well planned for.



The Year at a Glance



About the Council

New Plymouth District Council (NPDC) is made up of 15 elected members - the Mayor and 14 councillors. The Mayor's role includes leading the development of plans, policies and budgets for the consideration of councillors. Community boards represent and advocate for the interests of local communities. NPDC has four community boards representing Clifton, Inglewood, Kaitake and Waitara.

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

Our aim

The Council's aim is that New Plymouth District will offer an attractive living environment that compares favourably nationally and internationally. It will do this to attract and retain the skilled labour force our community needs to grow and prosper.

The unifying purpose of all NPDC services lies in creating an attractive living environment.

NPDC will invest in, maintain, assist and encourage others to provide those diverse facilities, infrastructure and services that are needed to make New Plymouth District nationally and internationally a location of choice.

We have set in place seven community outcomes - the things we want for the district. These are for the district to be connected, prosperous, secure and healthy, skilled, sustainable, together and vibrant.

The Mayor and councillors are in the process of developing a new vision and community outcomes.

What the community said

The Council commissions an independent annual survey of customer satisfaction.

Overall the survey results showed a high level of satisfaction with the services and facilities provided by the Council, particularly when compared to peer group councils. Residents were particularly satisfied with Puke Ariki museum and library, district libraries, parks and reserves and access to the natural environment. Residents were less satisfied with solid waste management and parking.

Working together - Māori participation

The Council engages with Māori throughout all its day-to-day operations, but also has a number of commitments at a strategic level which support the development of Māori capacity to participate more fully and effectively in the decision-making processes of the Council.

The Council is currently undertaking discussions with iwi and hapū to explore options for engaging in an effective and meaningful way.

Our Activities at a Glance



Achieving results for you

The Council organises its workload into 16 activities: Parks, Roads and Footpaths, Stormwater Drainage, Flood Protection and Control Works, Solid Waste and Refuse Collection, Water Supply, Wastewater Treatment, Emergency Management and Business Continuance, Community Development, Govett-Brewster Art Gallery, Puke Ariki and District Libraries, Recreation and Events, Regulatory Services, Economic Development, Civic and Democracy Services and Management of Investments and Funding.

Each of these activities has produced achievements during the 2013/14 year and some of these are listed below.

Parks

- High level of community satisfaction with the quality and care of the parks assets under the care of the Council.
- Continued improvements to the district's walkways.
- Ongoing development of the new district cemetery.
- Construction of the Pukekura Park water quality project including completion of the edge renewal in the main lake system. The dredging project was terminated and deferred for consideration at the Long-Term Plan (LTP) 2015-2025.
- Completion of replacing the children's playground in Pukekura Park with financial assistance from Energyworks Limited and New Zealand Community Trust.
- Development of new Neighbourhood Park at Okato with financial assistance from New Zealand Community Trust.

Roads and Footpaths

- Although two of the community satisfaction targets were narrowly missed, the community satisfaction levels reached were generally high.
- The maintenance, renewal and improvement programme targets for the 2013/14 year were substantially achieved as outlined in the Roding Asset Management Plan.
- The programme of pavement renewals and hotmix surfacing continued successfully within the high profile New Plymouth CBD area.
- The fourth year of the Model Community for Walking and Cycling project (branded in the community as 'Let's Go') was substantially on target with its travel planning, skills sessions and infrastructure improvements.

Stormwater Drainage

- Completion of various augmentation and renewal pipeworks around the district included:
 - Lawry Street stormwater renewal.
 - Domett Street, Waitara stormwater upgrade.
 - Completed King Street stormwater renewal.

Flood Protection and Control Works

- Ongoing maintenance of flood protections dams.

Our Activities at a Glance



Solid Waste and Refuse Collection

- Site purchased for Resource Recovery Facility.
- New kerbside collection tendered and awarded, commence 1 October 2015.
- Materials Recovery Facility tendered and awarded (for processing recyclables).

Water Supply

- Completion of various augmentation and renewal works around the district included:
 - Completion of Whiteley Street watermain renewal.
 - Cutfield Street watermain renewal.
 - Upper section of Oakura trunk main.
- This year we produced 12.1 billion litres of drinking water.

Wastewater Treatment

- Completion of part one of Waimea Valley sewer extension.
- Corbett Park pump station bio filter construction.
- Mangati pump station access improvements.
- Completion of aeration upgrade at the New Plymouth Wastewater Treatment Plant.
- Commencement of conversion of Waitara Wastewater Treatment Plant to pump station.
- Treatment of 9.6 billion litres of wastewater prior to discharge back into the environment.
- Production of 1,063 tonnes of Bioboost®.

Emergency Management and Business Continuance

- The Council participated in the region-wide Civil Defence 'Exercise Pahu' involving a simulation of volcanic eruption, to help ensure the Council is ready to respond to similar events.
- There has been an increased number of rural fires in our district due to a dry summer, and our recently established Taranaki Rural Fire Authority responded effectively to these events.
- Ongoing liaison and collaborative workings with other organisations and communities on Civil Defence Emergency Management issues.

Community Development

- The consolidation of the regional capacity building partnership known as the Wheelhouse has been a key focus. This is a partnership between the three local authorities in Taranaki, the TSB Community Trust and Bishop's Action Foundation, which has included the development and launch of a website to act as an information and assistance portal for the community sector, connecting organisations to resources, support and training opportunities.
- Progress has been made on two neighbourhood strengthening collaborative initiatives. These include partnering with North Taranaki Neighbourhood Support to deliver promotion, incentives and support for the growth of place-based neighbourhood activities and projects. A Neighbourhood Match Fund proposal has also been developed in partnership with TSB Community Trust to enable neighbourhood projects to take place, to incentivise neighbour-led improvement of local communities and strengthen interactions and connections between neighbours.
- The Council's Community Directory has been created into a fully electronic service, and has moved into the next phase of development to become a more comprehensive Taranaki regional directory.



Our Activities at a Glance

Govett-Brewster Art Gallery

- Continuing fundraising and planning for the Len Lye Centre construction and completion was the main focus for the year. Funding of \$2.7m was secured through a successful application to the Lottery Grants Board Significant Projects Fund announced in March ensuring that the \$10m budget for capital construction of the centre plus \$1.5m for fit-out of both the centre and its cinema are met through external funding.
- The Govett-Brewster remained closed for earthquake strengthening and building compliance purposes. Working off-site required additional resourcing and effort. Six public art exhibitions were achieved and there were 15 community engagement events held at different venues in New Plymouth that had a specific role in building community spirit.
- 206,397 estimated viewers of public art projects including: Ann Shelton's billboard project at Midhirst, two Len Lye touring exhibitions, three regional touring exhibitions featuring the Govett-Brewster's collection and Reuben Paterson's "glitter tree" in Pukekura Park that became a New Plymouth social media phenomenon.
- One hundred per cent satisfaction recorded from teachers using the Ministry of Education Learning Outside the Classroom (LEOTC) service.

Puke Ariki and District Libraries

- Nearly 800,000 people visited Puke Ariki and community libraries and 98 per cent of users said they were satisfied with their experience at Puke Ariki.
- 1,192 programmes were held over 2013/14 (target 860), including 732 facilitated programmes in Education, Discover IT and the Taranaki Research Centre and 460 exhibition and community related events with 27,522 recorded attendees overall.
- 1,263,682 web page views on Puke Ariki websites (target was 285,000). This number includes access to Kōtui, Kete, Venon and special project websites (Kiwi Prefab and Homework).
- Tourism related enquiries, bookings and visits recorded at 57,816 (target 32,000).

Recreation and Events

- Numbers of attendees to the Council's swimming pools were well above target levels. Attendance numbers at the venues remain strong in line with the programme of events and activities.
- Following on from the success of the Rugby World Cup All Black's Test Match, Yarrow Stadium built on its growing reputation hosting two Super 15 games and being announced as a host city for FIFA U-20 World Cup New Zealand 2015.
- High levels of visitor satisfaction with the TSB Bank Festival of Lights (98.5 per cent).

Regulatory Services

- High customer and resident satisfaction levels with customer and regulatory services provided with an overall 95 per cent satisfaction rate.
- 96 per cent of the buildings identified as requiring earthquake assessment have been assessed; 14 buildings have been confirmed as earthquake-prone. Two buildings have been demolished and removed from the register.
- There has been a 67 per cent increase in LIM reports issued compared to last year.
- Dog registration rate as a result of targeted project achieved 98 per cent (94 per cent last year).
- 79 per cent of impounded dogs were reunited with their owners or found new homes (target 65 per cent)
- 96 per cent of food premises inspection required no remedial steps (target 95 per cent).
- Sale and Supply of Alcohol legislation now successfully implemented.

Our Activities at a Glance



Economic Development

- Funding and oversight of the district's economic development and regional tourism contracts under which Venture Taranaki provides a range of programmes, projects and business support.
- Through the above:
 - Injection of over \$1.9m of grants into Taranaki businesses (target \$500,000).
 - Investment of over \$331,000 in building management capability for Taranaki's small and medium businesses (target \$140,000).
 - Achieved 90 per cent client satisfaction with business support services (target 80 per cent).
 - Attracted or retained more than 12 major events.

Civic and Democracy Services

- Triennial Election undertaken in compliance with the Local Electoral Act.
- A full year of meetings was carried out successfully, including the adoption of the Annual Plan 2014/15.
- Unqualified audit opinion for Annual Report 2012/13.

Management of Investments and Funding

- Due to the Council's strong cash position where net debt was better than budget by \$46m, the Council made the decision to defer the quarter three and quarter four release from the PIF. The release received from the PIF was \$5.02m.
- The Local Government Funding Agency (LGFA) continues to be a success story for Local Government, helping reduce borrowing margins. The Council now has \$46m of borrowings with the LGFA.
- The Council's borrowing programme was managed within the guidelines of the Treasury Management Policy with all compliance measures achieved.

Financial Summary



The following pages provide an overview of the Council's and the Group's financial performance for the year ended 30 June 2014.

Overall results - at a glance

The Council recorded a surplus of \$12.8m which was higher than the budget surplus of \$8.4m. The over-performance was helped by greater revenues from a number of areas including recreation and events, regulatory services and solid waste. The PIF also produced a solid return of 6.3 per cent and the Council's own investment income was up due to greater return from deposits and higher forestry revenue. Revenue was also helped by a positive revaluation of \$2.7m on our interest rate swaps which are used to hedge our borrowing interest rates. The Council's expenses were well controlled and were on or below budget for most activities. The Council's interest expense of \$6.14m was well below budget primarily because the Council did not have to make further borrowings because of the timing of the capital expenditure programme.

PIF Investment

The PIF achieved a 5.7 per cent per annum return and finished the year up \$5.6m to \$218.0m after payment of releases and costs of \$6.6m for the year.

Since inception the PIF has paid \$174.3m in release payments to the Council and achieved an annual return of 5.8 per cent per annum.

Fixed income and listed equities performed as expected with the PIF exceeding four out of five benchmarks.

Alternative assets delivered a 6.6 per cent per annum return, benefiting from the record milk production and milk price Tasman Farms Limited received this financial year.

In addition, supportive market conditions allowed for the exit of several investee companies held by private equity funds invested in by the PIF.

This was positive and enabled a portion of alternative assets to be realised over the year.

The PIF asset allocation is designed for a long term investment horizon and matches the multi-generational perpetual mandate of the PIF.

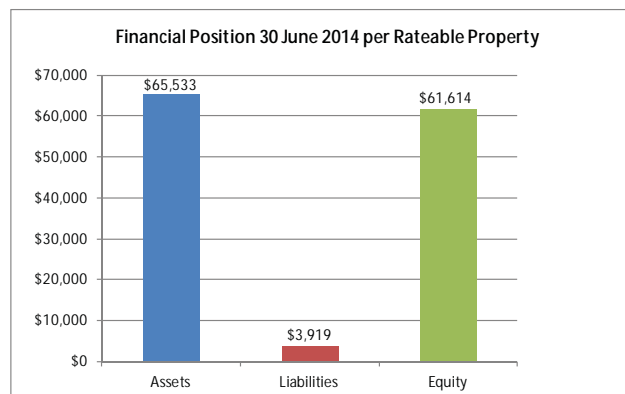
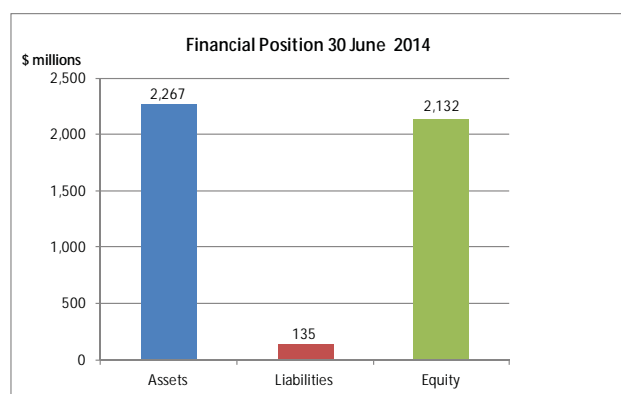
The expected return over the next five years is 6.0 per cent per annum and the following five years is 7.6 per cent per annum.

Key Facts at a Glance

Community:

Number of residents	74,184
Number of rateable properties	34,590

Financial Position



Financial Summary



Summary of Comprehensive Income

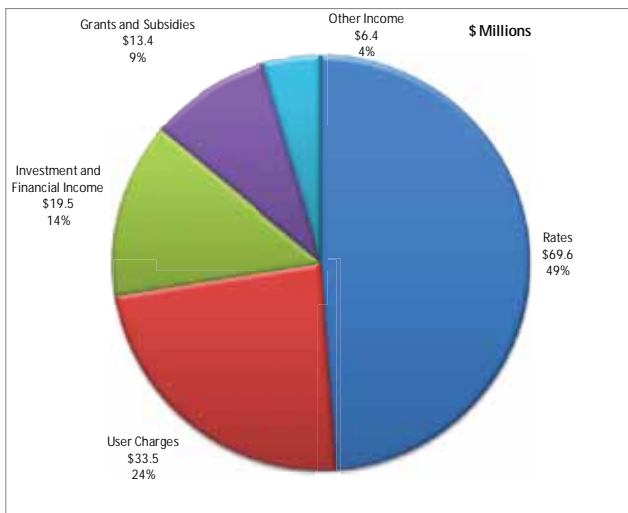
	District			Consolidated	
	2013/14 Actual (\$000)	2013/14 Budget (\$000)	2012/13 Actual (\$000)	2013/14 Actual (\$000)	2012/13 Actual (\$000)
Operating Revenue, excluding PIF	128,027	119,000	123,718	186,174	174,291
Perpetual Investment Fund	14,351	15,260	8,708	14,351	8,708
Total Operating Revenue	142,378	134,260	132,426	200,525	182,999
Operating Expenditure, excluding PIF	127,338	125,810	123,087	174,529	210,418
Perpetual Investment Fund	2,257	-	13,313	(1,484)	(4,782)
Total Operating Expenditure	129,595	125,810	136,400	173,045	205,636
SURPLUS/(DEFICIT) BEFORE TAXATION	12,783	8,450	(3,974)	27,480	(22,637)
Taxation (Expense)/Refund	(3)	-	22	(3,642)	5,068
SURPLUS/(DEFICIT) AFTER TAXATION	12,780	8,450	(3,952)	23,838	(17,569)
Other Comprehensive Income					
Impairment of Revalued Assets	-	-	(1,904)	-	(1,904)
Increase/(Decrease) Asset Revaluation Reserve	2,820	212,960	12,820	5,086	12,820
Revaluation Reserve - Deferred Tax Movement	-	-	(114)	-	(114)
Income Tax on Other Comprehensive Income	-	-	-	(680)	-
Foreign Currency Translation	-	-	-	(12,449)	(9,794)
Total Other Comprehensive Income	2,820	212,960	10,802	(8,043)	1,008
TOTAL COMPREHENSIVE INCOME	15,600	221,410	6,850	15,795	(16,561)

Financial Summary



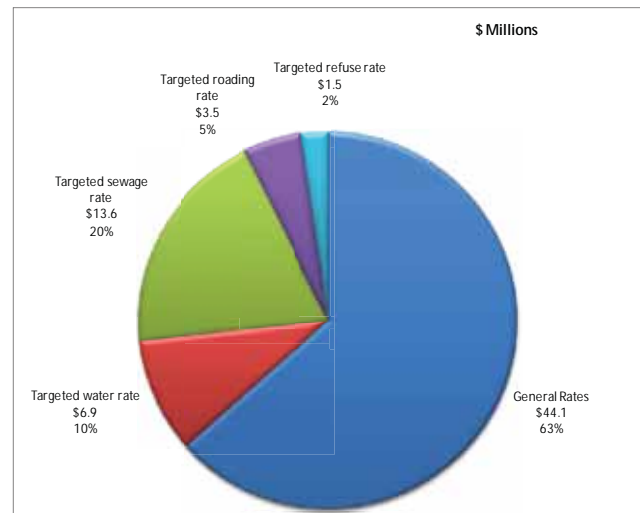
Income

We received \$142.4m of income from a variety of sources. The following graph shows the sources of the Council's income of \$142.4m during 2013/14. While rates continue to be the main source of funding, the Council also receives income from a number of other sources, including funding for capital expenditure as well as fees and user charges. The breakdown is shown below.



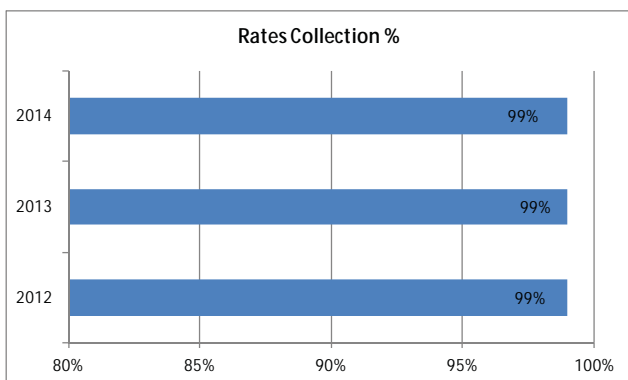
Income from Rates

The Council received \$69.6m from rates income. The Council receives rates income from General Rates and from a range of targeted rates, including a targeted rate for roading, sewage and water. A breakdown of rates is shown below.



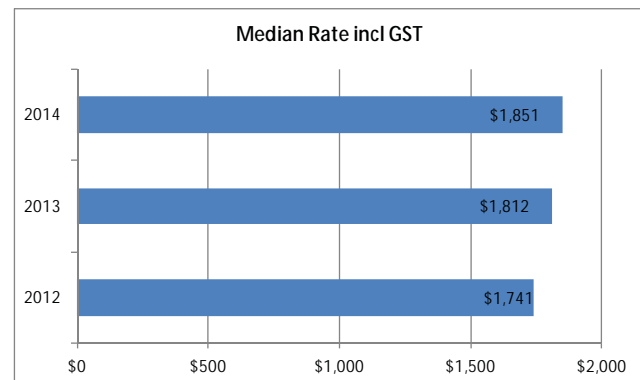
Rates Collection

The Council's Rates Team work hard to ensure all rates are collected and accounted for. As in previous years, the Council has achieved an excellent collection record, collecting 99 per cent of rates and 70 per cent of rate arrears.



Residential Median Rate

The median rate increased by 2.1 per cent during the year (\$0.75 per week).



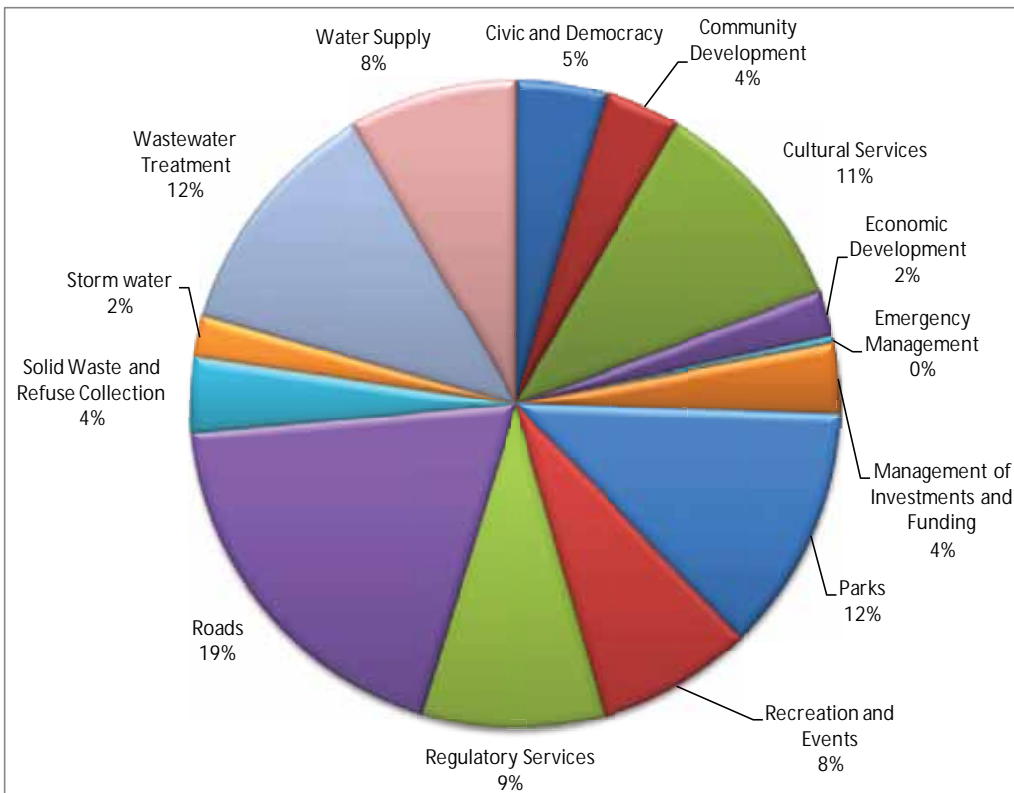
Financial Summary



Expenditure - what we spent?

The Council maintained a strong control of its operating expenditure throughout the year. Operating expenditure of \$124.0m from the Cost of Service Statement was in line with budget. Variations within activities are explained in the Council activity pages.

The following graph shows where the money was spent by activity. It excludes the PIF and other costs.



Financial Position

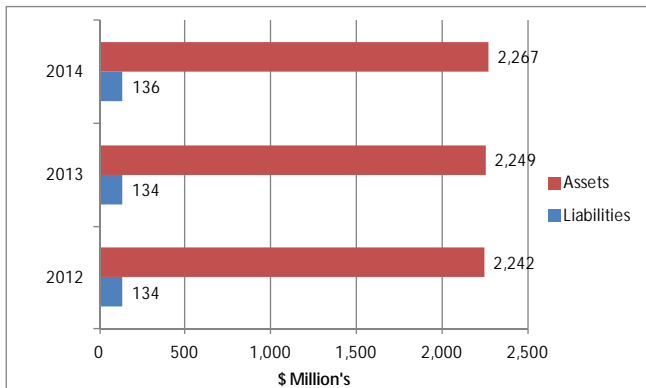
The Council's total net worth at the end of the financial year was \$2.13 billion. The Summary Statement of Financial Position shows what we own (our assets), what we owe (our liabilities) and our net worth (represented by net assets).

	District			Consolidated	
	2013/14 Actual (\$M)	2013/14 Budget (\$M)	2012/13 Actual (\$M)	2013/14 Actual (\$M)	2012/13 Actual (\$M)
Current Assets	58	33	54	76	69
Non-current Assets	2,209	2,463	2,195	2,313	2,311
Total Assets	2,267	2,496	2,249	2,389	2,380
Current Liabilities	57	49	81	137	94
Non-current Liabilities	78	108	53	118	168
Total Liabilities	135	157	134	255	262
TOTAL EQUITY/NET ASSETS	2,132	2,338	2,115	2,134	2,118

Financial Summary



Non-current assets are lower than budget primarily due to a lower revaluation of our assets compared to budget. Non-current liabilities are lower than budget as borrowings are lower due to the timing of our capital expenditure programme.



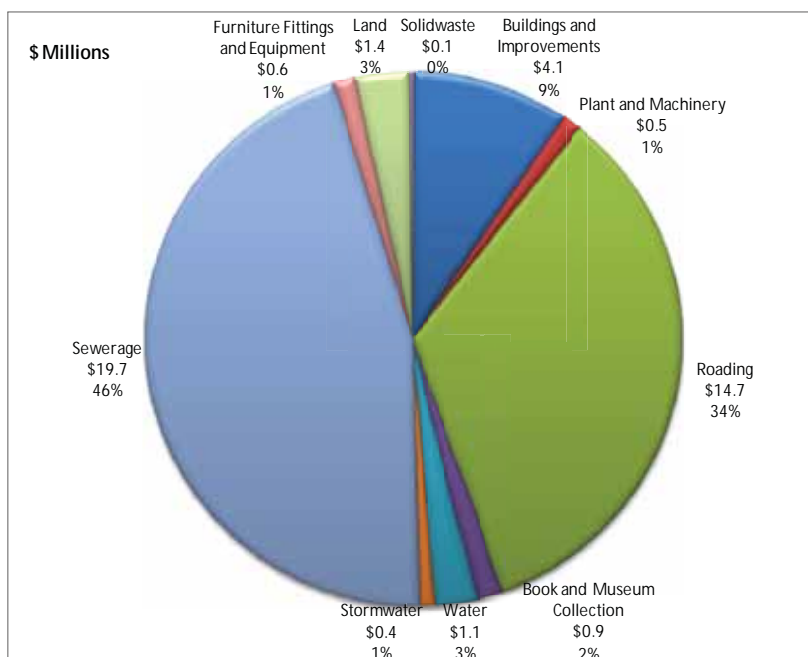
Our Assets - what we own

Our major assets include:

- Property, Plant and Equipment (including roads, land, buildings, drainage, waste and water assets) \$1,979m.
- Investment assets (\$260m), most significantly the PIF \$218m.
- Other assets \$28m.

During the year the Council added \$43.4m of new assets through its renewal and capital works programme. This covered all activities within our district (e.g. roads, stormwater pipes, plant and equipment etc). The most significant completed additions were to roads where \$14.7m was spent and sewerage treatment and reticulation with additions of \$19.7m, associated with the sewerage treatment plant upgrade.

Breakdown of capital expenditure by category



Financial Summary

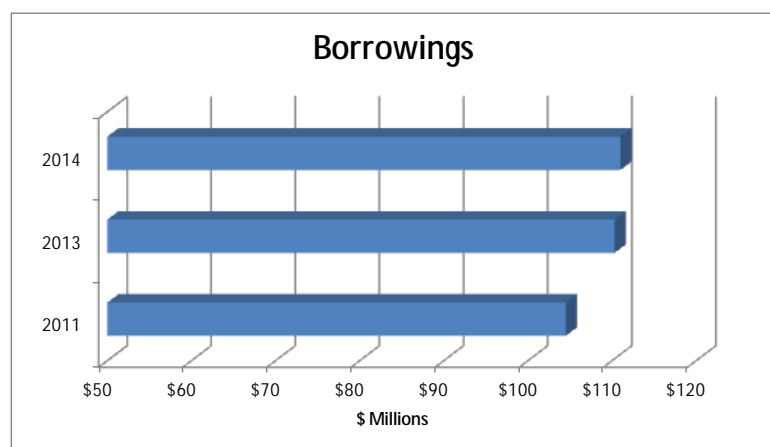


Our Liabilities - what we owe

The major component of our liabilities include:

- Borrowing \$111m.
- Trade and other payables \$19.7m.
- Other liabilities \$4.8m.

Our Borrowing Position - three year trend (\$m)



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

The Council borrows to fund the purchase or construction of new long-life assets (assets with a life greater than 10 years) that are approved through the long-term plan process.

The Council has managed its debt well by meeting all of the core policy compliance requirements set out in the Council's Investment and Liability Management Policy.

Prudential Limits	Policy Limit	Actual	Compliance
Net Borrowings as a percentage of equity	< 10%	3.2%	Yes
Net Borrowings as a percentage of income	< 135%	48%	Yes
Net interest as a percentage of annual rates income	< 20%	8.8%	Yes

The Council has hedged itself against the unexpected increases in interest rates by ensuring that a large portion of the debt is at fixed interest rates. The table below shows the amount of borrowing hedged against changes in interest rates by maturity.

Interest Rate Risk Control Limits (interest rate exposure)	Policy Limit	Actual	Compliance
1-3 year bucket	20%-60%	20%	Yes
3-5 year bucket	20%-60%	28%	Yes
5-10 year bucket	15%-60%	52%	Yes

Financial Summary



The Council manages its liquidity risk by spreading the maturity of debt by ensuring we have unused facilities available to fund future spending and by ensuring the maturity of our borrowings is well spread. There are \$32m of unused facilities available at 30 June 2014 to cover future spending requirements and ensure the Council has adequate access to funds at all times. The table below shows the maturity profile of our total facilities.

Liquidity/Funding Risk (access to funds)	Policy Limit	Actual	Compliance
Liquidity/Funding Risk (access to funds)	> 110%	127%	Yes
0-3 year bucket	20%-60%	35%	Yes
3-5 year bucket	20%-60%	50%	Yes
5-10 year bucket	10%-60%	15%	Yes

Equity

The Summary Statement of Changes in Equity shows what the community owns minus what the community owes. Equity is represented by the Council's net worth, that is 'what we own' (total assets of \$2,266.8m) minus 'what we owe' (total liabilities of \$135.5m). Equity as at 30 June 2014 was \$2,131.2m.

	District			Consolidated	
	2013/14 Actual (\$000)	2013/14 Budget (\$000)	2012/13 Actual (\$000)	2013/14 Actual (\$000)	2012/13 Actual (\$000)
Equity at the beginning of the year	2,115,687	2,116,840	2,108,837	2,118,048	2,134,609
Net Surplus/(Deficit) for the year	12,780	8,450	(3,952)	23,838	(17,569)
Other Comprehensive Income	2,820	212,960	10,802	(8,043)	1,008
Other Movements			-		-
EQUITY AT THE END OF THE YEAR	2,131,287	2,338,250	2,115,687	2,133,843	2,118,048
<i>Comprising:</i>					
Special Funds/Reserves	80,297	56,430	77,364	80,587	77,423
Retained Earnings	1,452,783	1,482,440	1,442,936	1,382,776	1,362,230
Minority Interest	0	0	-	1,940	1,984
Currency Fluctuation Reserve	0	0	-	(14,406)	(10,417)
Asset Revaluation Reserve	598,207	799,380	595,387	682,946	686,828
Equity at the end of the year	2,131,287	2,338,250	2,115,687	2,133,843	2,118,048

Financial Summary



Cash Flows

The Summary Statement of Cash Flows show how the Council generated and used cash during the year.

	District			Consolidated	
	2013/14 Actual (\$000)	2013/14 Budget (\$000)	2012/13 Actual (\$000)	2013/14 Actual (\$000)	2012/13 Actual (\$000)
Net Cash Flows from Operating Activities	24,112	24,130	32,722	27,443	24,598
Net Cash Flows from Investing Activities	(31,509)	(41,640)	(40,546)	(31,667)	(49,061)
Net Cash Flows from Financing Activities	600	7,020	6,000	(2,261)	21,893
Net Increase/(Decrease) in Cash and Cash Equivalents	(6,797)	(10,490)	(1,824)	(6,485)	(2,570)

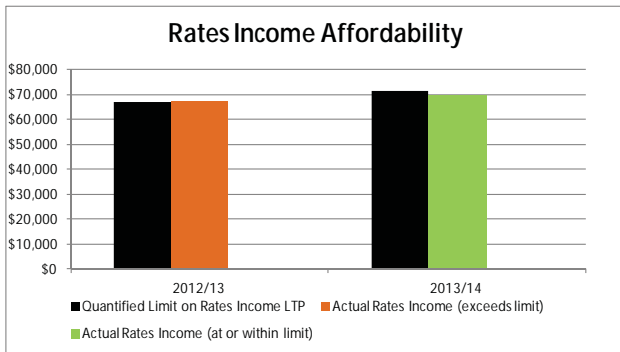
Our operating activities generate cash inflows and the primary source is from rates and user charges. The net cash inflows from these activities together with borrowings (financing activities) are used to purchase and develop assets around the district (investing activities).

Benchmarking

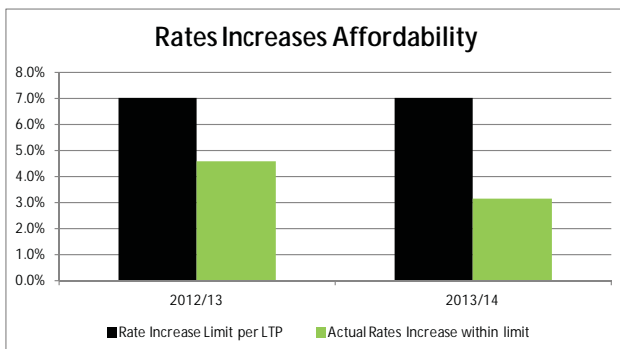


The graph below compares the Council's actual rates income in actual dollars, compared to the quantified limit on rates contained in the Financial Strategy included in the Council's LTP. As is evident actual dollars 2012/13 were marginally higher, primarily due to efficient collection.

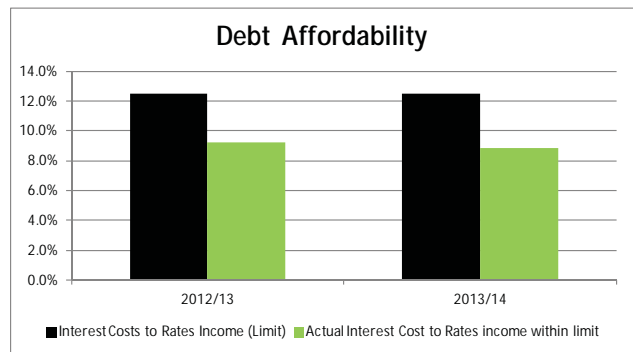
In 2013/14 the rate dollars are below the LTP which is a significant achievement as the dividend release from the PIF reduced from \$18.3m (budget) to \$10.4m (budget), thus reducing a strong revenue stream for the Council and placing a greater reliance on rates.



The graph below compares the Council's actual rates increases with a quantified limit on rates increases included in the Financial Strategy included in the Council's LTP. The quantified limit is a maximum increase in any one year of 7.0 per cent. The average for the last two years has been 3.9 per cent.

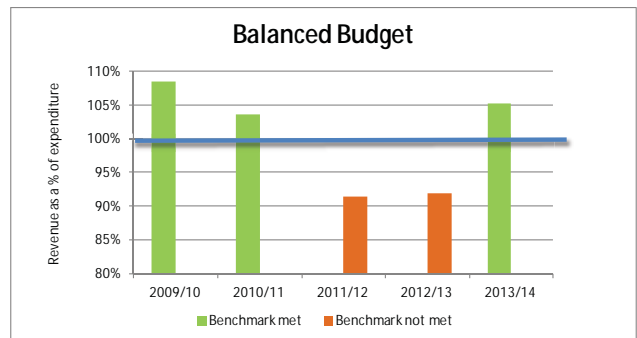


The graph below compares the Council's borrowing with a quantified limit on borrowing stated in the Financial Strategy included in the Council's LTP. The quantified limit per the LTP was a maximum external debt level where interest costs are no more than 12.5 per cent of rates income. Currently the ratio is 8.8 per cent.



The graph below displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative instruments and revaluations of property, plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment).

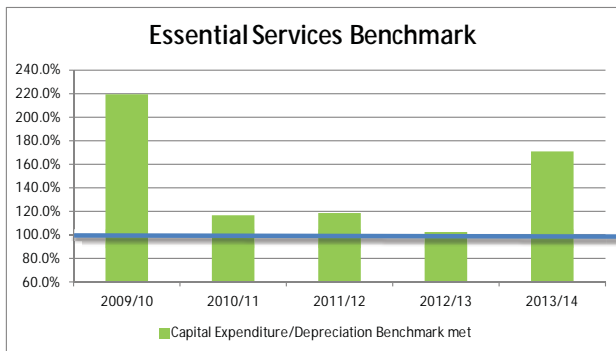
The Council meets this benchmark if its revenue equals or is greater than its operating expenses. The primary reason for the benchmark not being met was the under-performance of the PIF during 2011/12 and 2012/13 relative to long-term targets with deficits of \$4.5m and \$4.6m respectively.



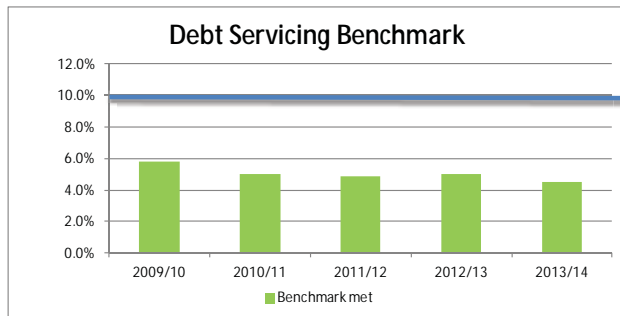
Benchmarking



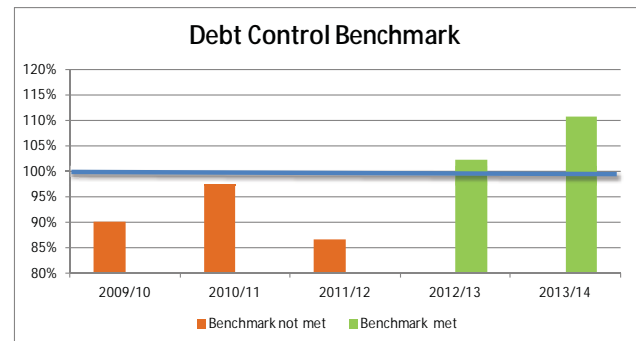
The graph below displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



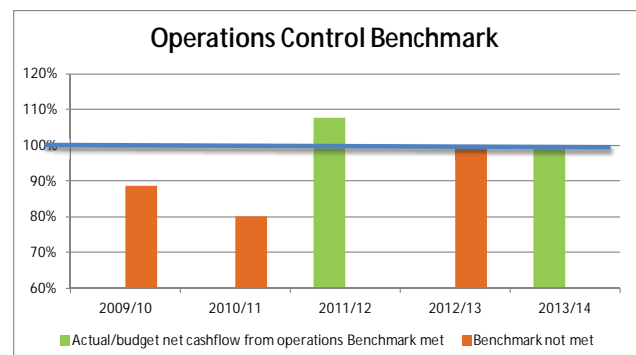
The graph below displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative instruments and revaluations of property, plant or equipment).



The graph below displays the Council's actual net assets as a proportion of planned net assets. In this statement, net assets means financial liabilities less financial assets (excluding trade and other receivables). The Council meets the debt control benchmark if its actual net assets equals or is more than its planned net assets. The benchmark was not met between 2009/10 and 2011/12 due to a reduction in the PIF balance.



The graph below 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.





Community Outcomes

The Community Outcomes were identified by the people of Taranaki through an extensive survey and questionnaire process. The Community Outcomes are intended to reflect what is important to members of the community. What follows are the seven Community Outcomes identified by the community. They are supported by a vision which states what the Community Outcomes mean in broad terms, and each in turn are supported by a number of statements which articulate in greater detail what the outcomes mean in practical terms.

Connected

A district that delivers accessible and integrated infrastructure, transport and communication systems which meet the needs of residents, businesses and visitors.

This means:

- Effective, efficient, safe and reliable infrastructure.
- High-quality communication systems, information technologies and distribution networks.
- A safe and responsive land transport system.
- Providing for the region's state highways and maintaining and enhancing local roading networks.
- Maintaining and enhancing the capabilities of Port Taranaki and the region's airport and rail network.
- A reliable, safe and accessible public transport system.

Prosperous

A district that boasts a sustainable, resilient and innovative economy that prospers within the natural and social environment.

This means:

- Taranaki is an attractive place to work, do business and to visit.
- The region will be a birthplace of innovation and ideas.
- Recognising and encouraging Taranaki's strengths and diversification of agriculture, business and industry.
- A high level of employment and adequate incomes for all.
- Encouraging sustainable development and population growth.
- People who are confident and are happy to invest in the future.
- Supporting the place of Māori in the local economy.

Secure and Healthy

A district that provides a safe, healthy and friendly place to live, work or visit.

This means:

- Equality of access to high-quality health and disability services.
- Maintaining, enhancing, promoting and protecting the environmental, physical and mental health of the people of Taranaki.
- Promoting well-being in the region and encouraging people to take responsibility for their health.
- Adequate and affordable housing for all.
- Residents and visitors of all ages feel safe and crime is reduced.
- A sustainable management approach is taken to hazards and risks.
- Taranaki is a friendly and welcoming place.
- Local health statistics are monitored and acted upon.

Community Outcomes



Skilled

A district that values and supports learning so all people can play a full and active role in social, cultural and economic life.

This means:

- Learning and the creation of knowledge is valued.
- High-quality education and training opportunities exist with strong links between businesses, schools and training institutions.
- A wide range of innovative education, training and cultural opportunities are accessible to people of all ages.
- The workforce has the skills to meet the needs of the district's employers.
- Māori achievements in education are monitored and responded to.

Sustainable

A district that appreciates its natural environment and its physical and human resources in planning, delivery and protection.

This means:

- Resources are used sustainably, developed and protected.
- The district's land and soil, water, air and coast, its biodiversity and its natural features and landscapes are understood, valued, maintained and enhanced for future generations.
- Animal and plant pest and biosecurity risks in the region are appropriately managed.
- The district's heritage is identified, recognised and protected.
- Built environments and amenities are of a high standard and contribute significantly to the well-being of people and communities.
- People are valued and their contribution to the economic, cultural, environmental and social well-being of the region is recognised and supported.
- Sustainable development is encouraged.
- Kaitiakitanga (the protection and management of the environment) is understood and valued.

Together

A district that is caring, inclusive and works together and where people have a strong, distinctive sense of identity.

This means:

- All people feel valued and supported within a caring community.
- Strong relationships between people from different cultures, communities and organisations build a united community.
- Multi-ethnic diversity is celebrated and different cultural values are respected.
- The place of Māori is recognised and respected.
- People from all sectors of the community are able and encouraged to contribute to their communities.
- Cooperation, collaboration and coordination between agencies, organisations and councils occur to avoid duplication of resources, minimise red tape and promote a consistent focus.
- Taranaki people have a strong sense of place. The special significance of Mount Taranaki to the people of Taranaki and its role in Taranaki's identity is recognised and provided for.
- The Taranaki "brand" is recognised nationally and internationally.
- The Treaty of Waitangi is recognised and respected.

Community Outcomes



Vibrant

A district that provides high-quality and diverse cultural and recreational experiences and where independence and creativity are encouraged.

This means:

- People have access to, and are encouraged to participate in, a wide range of high-quality recreational, leisure, art and cultural activities.
- The district has high-quality public amenities and facilities.
- Individual responsibility, independence and creativity are encouraged.
- All people have access to local services and facilities.
- There is safe, convenient and affordable access to the natural environment and public access to the district's coastal marine area, lakes and rivers is maintained and where practical, enhanced.
- Support and celebrate all cultures.

Working Together - Māori Participation



Development of Māori capacity to participate in Council decision-making

The Local Government Act 2002 requires the Council to outline how it provides opportunities for Māori to participate in Council decision making.

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

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

As well as these six iwi, there are 11 recognised hapū within New Plymouth District:

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

The Council engages with Māori throughout all of its day to day operations, but also has a number of commitments at a strategic level which support the development of Māori capacity to participate more fully and effectively in the decision-making processes of the Council.

In 2009, the Council adopted an internal Māori Capacity and Development Policy. The policy sets out:

- The responsibilities of the Council as a good employer.
- The development of knowledge and ability to be confident and proactive when engaging with Māori to meet the legislative responsibilities.
- The provision of culturally appropriate customer service and service delivery.
- That the agreements reached between iwi/hapū and Council as a result of Treaty of Waitangi settlements are recognised and understood.

Tangata whenua forum is an opportunity for any tangata whenua member to raise issues, gain information about and/or discuss any business involving the Council. The members of the forum are mandated members from hapū. The forum is a place to talk about tangata whenua issues and coordinate a consensus decision approach, prior to any issues being raised through the Council's decision-making process. It is also used to build capacity on Council and Resource Management Act processes. Council staff take the opportunity to discuss their projects, plans and strategies and forum members give direction and input into that work.

Te Kaumātua Kaunihera o ngā Whare Taonga o Puke Ariki was established in 2004. This committee is a group of kaumātua from around Taranaki who advise Puke Ariki on issues pertaining to Māori, the taonga Māori collection and tikanga. Te Kaumātua Kaunihera o ngā Whare Taonga o Puke Ariki is open to all kaumātua of Taranaki and meets monthly. In addition Puke Ariki consults with the appropriate Maori community when a decision is made regarding a particular taonga or group of taonga.

Working Together - Māori Participation



The Council's Consultation Policy sets out the duty of the Council to consult with tangata whenua on any issue that is likely to affect them, or matter where they have an interest. In addition to this policy the Council has developed a set of guidance notes for officers who are required to consult with tangata whenua Māori. As part of the Council's operations in 2011/12, consultation was undertaken on a regular basis in the following key (but not exclusive) areas: Long-Term Plan, District Plan, Heritage Strategy, Annual Plan, planning and subdivision processes, roading, heritage, walkways and reserves.

Resources are made available to for marae insurance and to support the maintenance of marae through a Marae Grants Policy and a Heritage Protection Fund. A fund to assist iwi/hapū with professional assistance when dealing with Resource Management Act issues is also available on application.

Two iwi within New Plymouth District, Ngāti Tama and Ngāti Mutunga, have settled their Treaty of Waitangi claims with the Crown. Te Ātiawa have initialed their Deed of Settlement with the Crown and are currently waiting to hear if their members have ratified the settlement package. Taranaki iwi are still in the process of negotiating their settlement with the Crown while Ngāti Maru are currently investigating their claim.

The Te Rewa Rewa Management Committee (TRRMC), comprising of trustees from Ngāti Tawhirikura A Hapū Trust and Council managers has been established as a partnership to meet the aims and aspirations of the hapū and the Council with regard to the Te Rewa Rewa Reserve. TRRMC has established a Strategic Vision, a Strategic Intent and a set of Guiding Principles as the foundation documents for the group. A Management Plan is being developed by the committee to provide for the ongoing day-to-day management of the reserve and to plan for public access via the new pedestrian bridge over the Waiwhakaiho River and walkway extension.

The Council has a Memorandum of Understanding (MOU) with Te Rūnanga and Ngāti Mutunga which is currently under review to identify projects to work towards. The Council has also agreed to the development of an MOU with Puketapu Hapū and have also been approached by Ngāti Tawhirikura to develop a similar agreement. A key aspect of a MOU is to set down the framework for enduring relationships and to identify ways for meaningful input into decisions.

Statement of Compliance and Responsibility



Compliance

The Council and management of New Plymouth District Council confirm that all the statutory requirements of Section 98 of the Local Government Act 2002 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 management of New Plymouth District Council, the annual financial statements for the year ended 30 June 2014 fairly reflect the financial position, operations and service performance of New Plymouth District Council.

A handwritten signature in black ink, appearing to read 'Andrew Judd', is positioned above the printed name.

Mayor
Andrew Judd

A handwritten signature in black ink, appearing to read 'Barbara McKerron', is positioned above the printed name.

Chief Executive
Barbara McKerron

Independent Auditor's Report

To the readers of New Plymouth District Council and group's annual report for the year ended 30 June 2014

The Auditor General is the auditor of New Plymouth District Council (the District Council) and group. The Auditor General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council and group that comprise:
 - the statement of financial position as at 30 June 2014 on page 116 to 117;
 - the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2014 on pages 114 to 115 and 118 to 119;
 - the funding impact statement of the District Council on page 120;
 - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 34 to 96; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 99 to 113 and 121 to 164;
- the statement of service provision (referred to as Council Activities) of the District Council on pages 34 to 96 and the funding impact statements in relation to each group of activities of the District Council on pages 34 to 96; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 19 to 20.

In addition, the Auditor General has appointed me to report on whether the District Council and group's annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - council controlled organisations on page 167 to 175;
 - reserve funds on page 125 to 128;
 - each group of activities carried out by the District Council on pages 34 to 96;
 - remuneration paid to the elected members and certain employees of the District Council on page 135;
 - employee staffing levels and remuneration on page 136;
 - severance payments on page 162;
 - rating base units on page 163; and
 - insurance of assets on page 163.
- a report on the activities undertaken by the District Council and group to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision making processes on page 24 to 25; and
- a statement of compliance signed by the mayor of the District Council, and by the District Council and group's chief executive on page 26.

Audit Report



Opinion

Audited information

In our opinion:

- the financial statements of the District Council and group on pages 99 to 164:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
- the District Council and group's financial position as at 30 June 2014; and
- the results of its operations and cash flows for the year ended on that date.
- the funding impact statement of the District Council on page 120, fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 34 to 96, fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long term plan or annual plan.
- the statement of service provision (referred to as Council Activities) of the District Council on pages 34 to 96:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the District Council's levels of service for the year ended 30 June 2014, including:
 - : the levels of service as measured against the intended levels of service adopted in the long term plan; and
 - : the reasons for any significant variances between the actual service and the expected service.
- the funding impact statements in relation to each group of activities of the District Council on pages 34 to 96, fairly reflects by each group of activities, 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 disclosures on pages 19 to 20 represent a complete list of required disclosures and accurately reflects the information drawn from District Council's audited information.

Compliance with the other requirements of schedule 10

In our opinion, which is not an audit opinion, the District Council and group's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 28 October 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.



Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the statement of service provision. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council and group's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design 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.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported statement of service provision within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements. As a result, we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and the statement of service provision (referred to as Council Activities) that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the District Council and group's financial position, financial performance and cash flows;
 - fairly reflect its service performance, including achievements compared to forecast;
- a funding impact statement that fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- funding impact statements in relation to each group of activities that fairly reflects by each group of activities 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;

Audit Report



- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long term plan or annual plan;
- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

The Council's responsibilities arise under the Local Government Act 2002.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the information we are required to audit, and whether the Council has complied with the Other Requirements of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board.

In addition to this audit, which includes our report on the Other Requirements, we have carried out assignments in the areas of grants received by the District Council from New Zealand Community Trust, which are compatible with those independence requirements. Other than these assignments we have no relationship with or interests in the District Council or any of its subsidiaries.

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



Neon accumulation (1968) Billy Apple. Collection Govett-Brewster Art Gallery.

Section 2 Council Activities

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Introduction to Council Activities



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

This section outlines these activities and includes information so that the community can see how we plan, manage, deliver, monitor performance and fund each Council activity. The 16 Council activities are:

- Parks.
- Roads and Footpaths.
- Stormwater Drainage.
- Flood Protection and Control Works.
- Solid Waste and Refuse Collection.
- Water Supply.
- Wastewater Treatment.
- Emergency Management and Business Continuance.
- Community Development.
- Govett-Brewster Art Gallery.
- Puke Ariki and District Libraries.
- Recreation and Events.
- Regulatory Services.
- Economic Development.
- Civic and Democracy Services.
- Management of Investments and Funding.

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

Adjusted Budgets

Adjusted budgets are the budget figures approved by the Council at the beginning of the year in the Annual Plan 2013/14 adjusted for items carried forward to the next financial year as approved by the Council.



Introduction to Council Activities

How Council services contribute to Community Outcomes

See the Introduction section for more detailed information on the Community Outcomes. The table below identifies the Community Outcomes to which each Council activity primarily contributes.

Council Services	Community Outcomes						
	Connected	Prosperous	Secure and Healthy	Skilled	Sustainable	Together	Vibrant
Parks		√	√		√		√
Roads and Footpaths	√	√					
Stormwater Drainage	√	√	√		√		
Flood Protection and Control Works	√	√	√		√		
Solid Waste and Refuse Collection	√	√	√		√		
Water Supply	√	√	√		√		
Wastewater Treatment (also known as sewerage and the treatment and disposal of sewage)	√	√	√		√		
Emergency Management and Business Continuance	√	√	√			√	
Community Development		√	√	√	√	√	√
Govett-Brewster Art Gallery		√		√	√	√	√
Puke Ariki and District Libraries	√	√		√	√	√	√
Recreation and Events		√	√			√	√
Regulatory Services	√	√	√	√	√	√	√
Economic Development		√					
Civic and Democracy Services						√	
Management of Investments and Funding		√					

Parks



Responsibility

Manager Parks

What we deliver

The Council's Parks service provides a group of services which plans, manages and maintains 1,440ha of park and reserve land, 71km of walkways, 11km of coastal walkway, 48 playgrounds and 24 sports parks for use by residents and visitors. This service also manages 14 community halls, six camping grounds, 53 public toilets, 10 cemeteries, a regional crematorium, Brooklands Zoo, plus public art and monuments.

Why we do it

To provide access to a range of facilities and open spaces to meet the aspirations, needs and demands of the community for physical activity, leisure, recreation or simply for the enjoyment of their intrinsic value. We are stewards for natural environments including wetlands and bush areas which are protected through reserves and covenants.

The Parks service makes a vital contribution to the New Plymouth District's economy. The motor camps together with the leisure and sports parks attract local residents and visitors, playing an important part in the tourism sector. The beautification and maintenance of the district's streetscapes provide attractive locations for business in the central city and business areas, positive experiences for visitors, and add to the quality of life for local residents.

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

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

Significant challenges during the year

- Contract for desludging lakes at Pukekura Park was terminated and the Council chose to reconsider this project as part of the Long-Term Plan 2015-2025.
- The community was expecting to receive funding to build the Urenui Seawall. This did not eventuate so the project did not proceed.
- Funding from the New Zealand Community Trust was granted towards a new skate bowl at Okato meaning the project would be fully delivered. The timing of this meant the project was not fully finished by 30 June.
- Estimating the timing of land purchase and development work at growth areas is a challenge.

Major projects

For any significant capital projects relevant to Parks, refer to Note 23.



Levels of service and performance information

Level of Service	Performance Measure	Target	Results/ Comments 2012/13	Results/Comments 2013/14
Maintain the quality of the district's parks, reserves and open spaces.	Percentage of community satisfied with the quality of the district's parks and reserves (NRB survey).	95%	Achieved 97% (96% including don't know responses).	Achieved 97% (96% including don't know responses).
	Percentage of community satisfied with the quality of the district's urban landscapes and streets (NRB survey).	95%	Achieved 98% (97% including don't know responses).	Achieved 95% (94% including don't know responses).
	Percentage of community satisfied with the quality of the district's sports parks (NRB survey).	95%	Achieved 95% (81% including don't know responses).	Achieved 95% (81% including don't know responses).
	Percentage of community satisfied with the quality of the district's playgrounds (NRB survey).	95%	Achieved 98% (87% including don't know responses).	Not achieved 94% (82% including don't know responses).
	Percentage of visitors satisfied with the quality of the Brooklands Zoo.	90%	Achieved. 98% from user satisfaction survey.	Achieved 99% from user satisfaction survey.
Maintain access to the natural environment, including rivers, lakes, the mountain and the coast.	Percentage of community satisfied with access to the natural environment (NRB survey).	95%	Achieved 98% (96% including don't know responses).	Achieved 98% (95% including don't know responses).
	Percentage of population living within 400 metres of a public park or reserve.	82%	Achieved 87%	Achieved 88%
Maintain the quality of the district's public toilets.	Percentage of community satisfied with the quality of the district's public toilets (NRB survey).	70%	Achieved 81% (69% including don't know responses).	Achieved 82% (68% including don't know responses).
Provide opportunity for community participation in caring for, and engagement with, the district environment e.g. Friends of Pukekura Park, Arbor Day etc.	Number of volunteer hours per year.	7,500 hours	Achieved 10,424 hours.	Achieved 12,204 hours.
Major projects are completed on time and within budget.	Major projects are completed on time.	Annual work programme achieved	Achieved Annual work programme achieved.	Achieved Annual work programme achieved.
	Major projects are completed within budget.	Annual work programme achieved within budget	Achieved Annual work programme achieved within budget.	Achieved Annual work programme achieved within budget.

Parks



Cost of Service Statement for the year ended 30 June 2014

The table below provides, in a standard accounting format, what the Parks activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2013/14 (\$000)	Adj Budget 2013/14 (\$000)	Budget 2013/14 (\$000)	Actual 2012/13 (\$000)
Activity expenditure				
Premier parks and foreshore	3,936	4,294	4,154	3,980
Parks and streetscapes	8,720	8,639	8,417	8,654
Cemeteries and crematorium	1,249	1,361	1,361	1,327
Sportsfields, playgrounds, motorcamps and public halls	1,573	1,821	1,821	1,700
Total activity expenditure	15,478	16,115	15,753	15,661
Activity revenue				
Premier parks and foreshore	611	755	755	862
Parks and streetscapes	378	159	159	1,175
Cemeteries and crematorium	801	860	860	884
Sportsfields, playgrounds, motorcamps and public halls	298	262	262	535
Total activity revenue	2,088	2,036	2,036	3,456
Net cost of operations	13,390	14,079	13,717	12,205
Capital Expenditure				
Renewals ¹	2,539	3,738	2,273	4,118
Service level improvements ²	1,175	1,759	1,009	1,168
Growth ³	261	789	599	360
Total capital expenditure	3,975	6,286	3,881	5,646

Budget variations

- ¹ Pukekura Park lake sediment removal project was terminated with a decision made not to proceed with works at this point in time.
- ² Earthworks at Mangapouri Cemetery were not completed due to bad weather and will occur in spring/summer 2015. External funding for the Urenui seawall was not achieved so project did not proceed.
- ³ Development of growth areas (by developer) did not occur as expected.



Funding Impact Statement for the year ended 30 June 2014

	Actual 2013/14 (\$000)	LTP 2013/14 (\$000)	LTP 2012/13 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	13,011	12,754	12,140
Targeted rates (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	118	7	15
Fees, charges, and targeted rates for water supply	1,661	2,992	2,979
Internal charges and overheads recovered	183	529	516
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	14,973	16,282	15,650
Applications of operating funding			
Payments to staff and suppliers	(8,979)	(9,545)	(9,270)
Finance costs	(745)	(826)	(715)
Internal charges and overheads applied	(3,398)	(4,197)	(4,048)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(13,122)	(14,568)	(14,033)
Surplus (deficit) of operating funding (A - B)	1,851	1,714	1,617
Sources of capital funding			
Subsidies and grants for capital expenditure	75	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	1,094	1,378	1,383
Gross proceeds from sale of assets	151	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	1,320	1,378	1,383
Application of capital funding			
Capital expenditure			
- to meet additional demand	(261)	(337)	(568)
- to improve the level of service	(1,174)	(1,095)	(866)
- to replace existing assets	(2,511)	(2,084)	(2,831)
Increase (decrease) in reserves	775	424	1,265
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(3,171)	(3,092)	(3,000)
Surplus (deficit) of capital funding (C - D)	(1,851)	(1,714)	(1,617)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 4(4), Local Government (Financial Reporting) Regulations 2011

Depreciation and amortisation expense

Depreciation expense	2,306	2,443	2,327
Less deferred/unfunded	(727)	(729)	(709)
Net funding transferred to renewals reserves	1,579	1,714	1,618

Roads and Footpaths



Responsibility

Manager Rooding Assets

What we deliver

The Council's Rooding and Footpaths service provides a group of activities which maintains, renews and develops roads, kerbs and channels, bridges, street lighting, footpaths, bus infrastructure and traffic management for all roads (except state highways) in the district. This service covers 1,276km of roads, 260 bridges, 7,690 street lights, 10,377 traffic signs and five tunnels.

Why we do it

To enable the free, efficient and safe movement of people, goods and services around the district.

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

Significant challenges during the year

- Maintaining levels of service in the face of on-going reduction in funding (in real terms) across subsidised works budgets, i.e. no adjustment for price escalations for the fifth successive year.
- Increasing demands put on the rooding network by the oil and gas industry. Application of Road Maintenance Agreements as a consent condition is assisting in this regard.
- Maintaining momentum and engaging with the community with the programmes and infrastructure improvements associated with the Model Walking and Cycling Communities project.

Major projects

For any significant capital projects relevant to Roads and Footpaths, refer to Note 23.

Roads and Footpaths



Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
Provide a quality footpath network that is safe for users.	Percentage of community satisfied with the quality and safety of the district's footpaths (NRB survey).	83%	Achieved (target 82%) 85% (83% including don't know responses).	Achieved 83% (78% including don't know responses).
Provide a quality cycle network that is safe for users.	Percentage of community (including cyclists) satisfied with the quality and safety of the district's cycle network (NRB survey).	84%	Achieved (target 83%) 88% (74% including don't know responses).	Not achieved 81% (66% including don't know responses).
Provide a quality local roading network that is efficient and safe for users.	Percentage of community satisfied with the ability to drive around the district quickly, easily and safely (NRB survey).	90%	Achieved 92% (90% including don't know responses).	Not achieved 86% (83% including don't know responses). Results strongly influenced again by performance of state highways.
	The percentage of crashes with road-related factors on the Council's roads.	10%	Not achieved 13%. Data from CAS for period 1 June 2012 to 31 May 2013.	Not achieved 11%. Data from CAS for period 1 June 2013 to 31 May 2014.
	Percentage of community satisfied with the district's quality of roads overall (NRB survey).	85%	Achieved 85% (85% including don't know responses).	Achieved 86% (84% including don't know responses).
Provide a quality local roading network that is smooth to travel on.	Average smoothness of the district's roading network as measured by New Zealand Transport Agency's smoothness standards.	88%	Achieved 89%	Achieved 90%
Respond to requests within an acceptable timeframe.	Percentage contractor compliance with target response times for maintenance and customer requests.	95%	Achieved 99%	Achieved 99%

Roads and Footpaths



Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
Major projects are completed on time and within budget.	Major projects are completed on time.	Annual work programme achieved	3 Achieved 2 Not achieved	2 Achieved - land purchase and subdivision contribution.
	Major projects are completed within budget.	Annual work programme achieved within budget	Let's Go, Land Purchase and Subdivision contribution projects achieved. Bell Block Bypass Road Improvements underspent, dependent on development of others. Marfell project delays experienced by Housing NZ Corporation.	1 Part achieved - Let's Go Project. Design delays for infrastructure improvements. 1 Not achieved - Bell Block Bypass Road improvements. Dependent on commercial development by others.

Cost of Service Statement for the year ended 30 June 2014

The table below provides, in a standard accounting format, what the Roads and Footpaths activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2013/14 (\$000)	Adj Budget 2013/14 (\$000)	Budget 2013/14 (\$000)	Actual 2012/13 (\$000)
Activity expenditure ¹	23,800	23,346	23,284	22,176
Activity revenue	10,673	10,848	9,691	9,952
Net cost of operations	13,127	12,498	13,593	12,224
Capital Expenditure				
Renewals ²	8,932	9,456	8,348	7,679
Service level improvements ³	2,830	3,584	2,464	4,630
Growth ⁴	419	1,701	493	10
Total capital expenditure	12,181	14,741	11,305	12,319

Budget variations

- Actual expenditure is within 2% of the budget. The largest budget variations were associated with additional spending on sealed pavement maintenance (urban and rural) because of network needs, street cleaning in order to maintain the appropriate level of service and professional services as a result of one-off costs such as retaining wall inspections.
- Actual expenditure is within 5.5% of the budget. The main budget variation was associated with underslip renewals/emergency works. The anticipated wet weather events did not eventuate in frequency nor magnitude, also there was a weather related delay in completing the final package of underslip renewals.
- The Marfell project was not commenced by Housing New Zealand (\$325,000) and there were some design delays for infrastructure improvements associated with the Let's Go project.
- Bell Block Bypass Associated Roding Improvements are heavily dependent on commercial property development by others. This development did not proceed at the pace anticipated, this accounts for the full underspend being reported.

Roads and Footpaths



Funding Impact Statement for the year ended 30 June 2014

	Actual 2013/14 (\$000)	LTP 2013/14 (\$000)	LTP 2012/13 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	9,980	10,040	9,758
Targeted rates (other than a targeted rate for water supply)	3,314	3,314	3,314
Subsidies and grants for operating purposes	3,746	3,948	3,905
Fees, charges, and targeted rates for water supply	546	(190)	(196)
Internal charges and overheads recovered	(240)	21	21
Local authorities fuel tax, fines, infringement fees, and other receipts	530	500	500
Total operating funding (A)	17,876	17,633	17,302
Applications of operating funding			
Payments to staff and suppliers	(9,349)	(8,731)	(8,603)
Finance costs	(2,709)	(2,716)	(2,605)
Internal charges and overheads applied	(1,143)	(1,113)	(1,083)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(13,201)	(12,560)	(12,291)
Surplus (deficit) of operating funding (A - B)	4,675	5,073	5,011
Sources of capital funding			
Subsidies and grants for capital expenditure	5,849	5,446	4,628
Development and financial contributions	-	-	-
Increase (decrease) in debt	962	1,249	911
Gross proceeds from sale of assets	290	-	3,000
Lump sum contributions	-	-	-
Total sources of capital funding (C)	7,101	6,695	8,539
Application of capital funding			
Capital expenditure			
- to meet additional demand	(419)	(486)	(478)
- to improve the level of service	(2,830)	(2,658)	(1,431)
- to replace existing assets	(8,932)	(8,173)	(8,300)
Increase (decrease) in reserves	405	(451)	(3,341)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(11,776)	(11,768)	(13,550)
Surplus (deficit) of capital funding (C - D)	(4,675)	(5,073)	(5,011)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 4(4), Local Government (Financial Reporting) Regulations 2011

Depreciation and amortisation expense

Depreciation expense	10,359	10,735	10,397
Less deferred/unfunded	(5,289)	(5,440)	(5,262)
Net funding transferred to renewals reserves	5,070	5,295	5,135

Stormwater Drainage



Responsibility

Manager Water & Wastes

What we deliver

New Plymouth District Council collects, manages and disposes of stormwater run-off from around 6,600 hectares of urban area covering New Plymouth, Bell Block, Waitara, Inglewood, Urenui, Onaero, Lepperton, Egmont Village, Ōākura and Okato. This includes the operation and maintenance of engineered wetlands and 288km of stormwater pipes.

Why we do it

To protect people and property from the effects of stormwater run-off and localised flooding.

Significant challenges during the year

- New developments continue to add stormwater into existing systems putting pressure on these.
- We continue to see the effects of climate change with a prolonged dry period in February/March 2014 followed by significant wet weather.
- A lack of asset data in the asset inventory poses challenges in undertaking stormwater analysis projects (e.g. catchment management plans and asset valuations).

Major projects

For any significant capital projects relevant to Stormwater Drainage, refer to Note 23.

Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
Provide a reliable stormwater system.	Percentage contractor compliance with target response times for maintenance and other customer requests.	97%	Achieved 97%	Achieved 97.5%
Operate the stormwater activity in a manner that protects public health and the environment.	Percentage compliance with resource consents for stormwater network operation.	100%	Achieved No non-compliances recorded.	Achieved No non-compliances recorded.
Ensure the stormwater service provided meets community expectations.	Percentage of community satisfied with stormwater service (NRB survey).	85%	Achieved 89% (78% including don't know responses).	Achieved 91% (77% including don't know responses).

Stormwater Drainage



Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
Major projects are completed on time and within budget.	Major projects are completed on time.	Annual work programme achieved	Not achieved Peringa Park wetlands deferred. Ngamotu Road delay due to land ownership issues.	Not achieved Some projects deferred.
	Major projects are completed within budget.	Annual work programme achieved within budget	Achieved Currently within or under total project budget.	Achieved Currently within or under total project budget.

Cost of Service Statement for the year ended 30 June 2014

The table below provides, in a standard accounting format, what the Stormwater Drainage activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2013/14 (\$000)	Adj Budget 2013/14 (\$000)	Budget 2013/14 (\$000)	Actual 2012/13 (\$000)
Activity expenditure	2,543	2,538	2,562	2,322
Activity revenue	12	13	13	7
Net cost of operations	2,531	2,525	2,549	2,315
Capital Expenditure				
Renewals ¹	194	2,147	420	421
Service level improvements	681	707	494	463
Growth	-	32	30	8
Total capital expenditure	875	2,886	944	892

Budget variations

¹ Renewals under-spend due to deferral of several projects including Ngamotu Road stormwater (\$1m) and other smaller projects.

Stormwater Drainage



Funding Impact Statement for the year ended 30 June 2014

	Actual 2013/14 (\$000)	LTP 2013/14 (\$000)	LTP 2012/13 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	1,735	1,881	1,773
Targeted rates (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply	12	13	13
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	1,747	1,894	1,786
Applications of operating funding			
Payments to staff and suppliers	(346)	(552)	(538)
Finance costs	(227)	(260)	(194)
Internal charges and overheads applied	(340)	(437)	(428)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(913)	(1,249)	(1,160)
Surplus (deficit) of operating funding (A - B)	834	645	626
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	681	1,044	400
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	681	1,044	400
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	(109)	-
- to improve the level of service	(681)	(951)	(416)
- to replace existing assets	(194)	(920)	(528)
Increase (decrease) in reserves	(640)	291	(82)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(1,515)	(1,689)	(1,026)
Surplus (deficit) of capital funding (C - D)	(834)	(645)	(626)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 4(4), Local Government (Financial Reporting) Regulations 2011

Depreciation and amortisation expense

Depreciation expense	1,630	1,446	1,399
Less deferred/unfunded	(796)	(801)	(773)
Net funding transferred to renewals reserves	834	645	626

Flood Protection and Control Works



Responsibility

Manager Water & Wastes

What we deliver

New Plymouth District Council provides flood protection systems to urban areas in the New Plymouth District. This includes the maintenance and monitoring of existing flood protection schemes and the planning of future flood protection measures. The impacts of climate change on rainfall are recognised and will be incorporated into designs of future flood protection assets.

Why we deliver it

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

Significant challenges during the year

- Maintaining current levels of flood protection with regard to the effects of climate change (more extreme weather events and sea level rises) and urban growth upstream from protection works.
- Implementation of the dam safety regulations and communicating the results of the Dam Break study to the community.

Major projects

For any significant capital projects relevant to Flood Protection and Control Works, refer to Note 23.

Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
Provide a reliable flood protection system.	Number of urban houses at risk of being flooded in storm events with a one per cent chance of occurring per year.	0	Not achieved There are 102 dwellings in the Mangaotuku catchment that are known to be at risk of flooding. Options to address this have been investigated and no practical solution has been identified. We will be reviewing another catchment next year.	Not achieved There are 102 dwellings in the Mangaotuku catchment that are known to be at risk of flooding. Options to address this have been investigated and no practical solution has been identified.
	Percentage contractor compliance with target response times for maintenance and other customer requests.	97%	Achieved 97%. This is included as part of the stormwater section of the contract as flood protection is a recent measure.	Achieved 97.5%. This is included as part of the stormwater section of the contract as flood protection is a recent measure.

Flood Protection and Control Works



Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
Operate the flood protection activity in a manner that protects public health and the environment.	Compliance with resource consent conditions, dam safety regulations and Building Act requirements for flood protection operations.	100%	Achieved No non-compliances recorded.	Achieved No non-compliances recorded.
Ensure the flood protection service meets community expectations.	Percentage of community satisfied with flood protection service (NRB survey).	85%	Achieved 96% (71% including don't know responses).	Achieved 96% (67% including don't know responses).
Major projects are completed on time and within budget.	Major projects are completed on time.	Annual work programme achieved	Not achieved Attenuation bunds Raniera Street delayed as still being scoped.	Not achieved Area N (Bell Block Industrial) bunds deferred.
	Major projects are completed within budget.	Annual work programme achieved within budget	Achieved Currently within or under total project budget.	Achieved Currently within or under total project budget.

Cost of Service Statement for the year ended 30 June 2014

The table below provides, in a standard accounting format, what the Flood Protection and Control Works activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2013/14 (\$000)	Adj Budget 2013/14 (\$000)	Budget 2013/14 (\$000)	Actual 2012/13 (\$000)
Activity expenditure	306	258	235	295
Activity revenue	-	-	-	-
Net cost of operations	306	258	235	295
Capital Expenditure				
Renewals	-	4	4	-
Service level improvements	-	195	3	11
Growth	-	16	16	-
Total capital expenditure	-	215	23	11

Flood Protection and Control Works



Funding Impact Statement for the year ended 30 June 2014

	Actual 2013/14 (\$000)	LTP 2013/14 (\$000)	LTP 2012/13 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	194	121	170
Targeted rates (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	194	121	170
Applications of operating funding			
Payments to staff and suppliers	(156)	(88)	(137)
Finance costs	(24)	(24)	(24)
Internal charges and overheads applied	(13)	(9)	(9)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(193)	(121)	(170)
Surplus (deficit) of operating funding (A - B)	1	-	-
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	156	152
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	156	152
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	(159)	(155)
- to improve the level of service	-	-	-
- to replace existing assets	-	(1)	(1)
Increase (decrease) in reserves	(1)	4	4
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(1)	(156)	(152)
Surplus (deficit) of capital funding (C - D)	(1)	-	-
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 4(4), Local Government (Financial Reporting) Regulations 2011

Depreciation and amortisation expense

Depreciation expense	112	112	109
Less deferred/unfunded	(112)	(112)	(109)
Net funding transferred to renewals reserves	-	-	-

Solid Waste and Refuse Collection



Responsibility

Manager Water & Wastes

What we deliver

The Council's Solid Waste activity involves refuse collection, recycling and refuse disposal services provided to households and schools within defined service areas including towns and some rural properties on collection routes. This service includes kerbside collection of solid waste along with the operation of five transfer stations, one operational landfill for the Taranaki region and two cleanfill sites. Our transfer stations handle non-hazardous solid waste while our landfill disposes of regional waste to an environmentally acceptable standard.

We collect around 16,000 tonnes of rubbish from more than 26,500 households each year. We also pick up 4,200 tonnes of recycling from households, schools and transfer stations. The main regional landfill at Colson Road, New Plymouth takes up to 65,000 tonnes of waste every year (51,500 from New Plymouth District, 11,100 from South Taranaki and 2,400 from Stratford in 2013/14).

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

Why we do it

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

The Solid Waste and Refuse Collection aims to effectively turn its waste and refuse collection activity into a reduce, reuse and recycle service to help create more reusable resources and directly influence the amount of rubbish going to the Colson Road Landfill as well as lower Emission Trading Scheme impacts.

Significant challenges during the year

Procuring services for kerbside collection, with a change to the recycling collection method approved by the Council during the year. In addition, procurement to construct and build a Resource Recovery Facility which will result in the establishment of a recyclables processing facility and a replacement for the New Plymouth Transfer Station (these contracts will commence operation in 2015/16).

Major projects

For any significant capital projects relevant to Solid Waste and Refuse Collection, refer to Note 23.

Solid Waste and Refuse Collection



Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
Provide a reliable and effective solid waste and refuse collection service.	Percentage contractor compliance with target times for collection and other customer requests.	100%	Not achieved Okato Transfer Station closed early due to lack of space in refuse bins. Inglewood Transfer Station did not open due to contractor not understanding opening hours.	Not achieved Okato Transfer Station closed during advertised open hours in December 2013. Contractors contingency plan presented to define process for backup staff.
Provide a regular refuse collection and streetside recycling collection to serviced communities.	Serviced population receiving a kerbside collection measured as a proportion of the total population of the district.	85%	Achieved 88%	Achieved 89%
Provide a sustainable solid waste management service.	Compliance with various solid waste facility related consent conditions.	100%	Not achieved Three incidents recorded due to leachate breakout and high rainfall. TRC monitoring of incidents assessed that these had less than minor effects on stream water quality.	Achieved One minor non compliance relating to size of landfill working face. No abatement or infringement notices issued.
	Year on year percentage reduction in landfill waste generated per household.	5%	Not achieved 3%. Landfill waste has not reduced to the level targeted. This may be a result of community perception that the current recycling system is not sufficiently user friendly.	Not achieved 1.6% reduction
	Percentage of total household waste which is recycled by weight (against 2010/11 baseline).	10%	Achieved (target 5%) 9.5%	Achieved 13.75%
Provide a solid waste service that meets customer expectations.	Percentage of community satisfied with the solid waste and refuse collection services provided by the Council (NRB survey).	80%	Achieved (target 75%) 85% (80% including don't know responses).	Achieved 80% (75% including don't know responses).

Solid Waste and Refuse Collection



Cost of Service Statement for the year ended 30 June 2014

The table below provides, in a standard accounting format, what the Solid Waste and Refuse Collection activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2013/14 (\$000)	Adj Budget 2013/14 (\$000)	Budget 2013/14 (\$000)	Actual 2012/13 (\$000)
Activity expenditure				
Refuse collection	1,908	1,868	1,868	1,719
Solid waste disposal ¹	2,781	3,895	3,895	2,356
Total activity expenditure	4,689	5,763	5,763	4,075
Activity revenue				
Refuse collection	491	362	362	433
Solid waste disposal ²	5,910	4,822	4,822	5,028
Total activity revenue	6,401	5,184	5,184	5,461
Net cost of operations	(1,712)	579	579	(1,386)
Capital Expenditure				
Renewals	-	-	-	-
Service level improvements	819	909	1	201
Growth	-	-	-	53
Total capital expenditure	819	909	1	254

Budget variations

¹ Solid waste under budget due to significantly lower Emission Trading Scheme costs.

² The increase is due to greater waste volumes disposed to landfill (an increase from 60,000 to 65,000 tonnes), particularly in the commercial and industrial sector.

Solid Waste and Refuse Collection



Funding Impact Statement for the year ended 30 June 2014

	Actual 2013/14 (\$000)	LTP 2013/14 (\$000)	LTP 2012/13 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	-	-	-
Targeted rates (other than a targeted rate for water supply)	1,544	2,047	1,477
Subsidies and grants for operating purposes	2	-	-
Fees, charges, and targeted rates for water supply	6,345	6,136	4,765
Internal charges and overheads recovered	1	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	7,892	8,183	6,242
Applications of operating funding			
Payments to staff and suppliers	(3,450)	(6,559)	(4,364)
Finance costs	(46)	(49)	(49)
Internal charges and overheads applied	(533)	(542)	(530)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(4,029)	(7,150)	(4,943)
Surplus (deficit) of operating funding (A - B)	3,863	1,033	1,299
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(12)	(2)	(2)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	(12)	(2)	(2)
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	(819)	(4)	(4)
- to replace existing assets	-	-	-
Increase (decrease) in reserves	(3,032)	(1,027)	(1,293)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(3,851)	(1,031)	(1,297)
Surplus (deficit) of capital funding (C - D)	(3,863)	(1,033)	(1,299)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 4(4), Local Government (Financial Reporting) Regulations 2011

Depreciation and amortisation expense

Depreciation expense	607	223	216
Less deferred/unfunded	(33)	(33)	(32)
Net funding transferred to renewals reserves	574	190	184

Water Supply



Responsibility

Manager Water & Wastes

What we deliver

New Plymouth District Council supplies water to defined urban and rural areas. The service includes the development, operation and maintenance of groundwater bores, river intakes, treatment plants and storage facilities, pump stations and underground pipe networks. We supply water to 28,000 households and businesses, and around 32m litres/day, all of which are compliant with the New Zealand Drinking Water Standards. We do this through four supply systems at New Plymouth (includes Omata, Bell Block, Waitara and Urenui), Inglewood, Ōākura and Okato, supplying around 90 per cent of the district's population.

Why we do it

To provide all connected properties with a safe, reliable and affordable supply of water and to ensure water is available in urban areas for firefighting.

Significant challenges during the year

- A significant drought this year resulted in the need for water restrictions on residential customers. This has identified the need to either reduce the demand or construct additional infrastructure if we are to avoid water restrictions becoming more common.
- Improvement to firefighting is still required (this will be a long-term project). Projects are included in the Long-Term Plan 2012-2022 for improving the firefighting capacity of the network.

Major projects

For any significant capital projects relevant to Water Supply, refer to Note 23.

Water Supply



Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
Provide a reliable water supply.	Flow rate meets minimum flow and pressure levels.	99%	Achieved 99%	Achieved 99.9% (pressure), 99.6% (flow).
	Contractor compliance with target response times for maintenance and other requests.	97%	Not achieved 87%. Service restoration generally completed on time but final reinstatement not completed within specified timeframe. This is first year of new contract in which the timeframes for final reinstatement are tighter than the previous contract.	Not achieved 93.2%. Service restoration generally completed on time but final reinstatement not completed within specified timeframe.
	Firefighting flows in urban residential areas meet Fire Service code.	100%	Not achieved Some areas are known not to meet firefighting code. Some provision has been made in the Long-Term Plan for improvement to firefighting flows but it will take many years to bring the entire serviced area up to code.	Not achieved Some areas are known not to meet firefighting code. Some provision has been made in the Long-Term Plan for improvement to firefighting flows but it will take many years to bring the entire serviced area up to code.
Provide safe drinking water.	Compliance with New Zealand Drinking Water Standards.	100%	Achieved Full compliance with NZ Drinking Water Standards.	Achieved Full compliance with NZ Drinking Water Standards.
Provide a sustainable water service.	Water losses (in litres per connection per day, averaged over the year).	270	Achieved 263	Achieved 249
Ensure the network has the capacity to accommodate growth.	Total time water restrictions are in force in any year.	<7 days	Not achieved 51 days of water restrictions this year due to dry period in early 2013.	Not achieved 51 days of water restrictions this year.
Ensure the water service provided meets community expectations.	Percentage of community satisfied with the water service (NRB survey).	96%	Not achieved 95% (86% including don't know responses).	Not achieved 93% (85% including don't know responses).

Water Supply



Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
The network has capacity to accommodate growth.	Dwellings serviced as a percentage of total occupied dwellings within the district.	92%	Not achieved 89% due to improved reporting methods.	Achieved 92%. Only using properties defined as residential.
Major projects are completed on time and within budget.	Major projects are completed on time.	Annual work programme achieved	Achieved Okato bore, Ōākura trunk main underway. Parklands to Airport deferred with Area Q. (Bell Block Residential)	Not achieved Okato bore delayed, Ōākura trunk main underway.
	Major projects are completed within budget.	Annual work programme achieved within budget	Achieved Currently within or under total project budget.	Achieved Currently within or under total project budget.

Cost of Service Statement for the year ended 30 June 2014

The table below provides, in a standard accounting format, what the Water Supply activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2013/14 (\$000)	Adj Budget 2013/14 (\$000)	Budget 2013/14 (\$000)	Actual 2012/13 (\$000)
Activity expenditure ¹	10,474	10,263	10,263	9,766
Activity revenue	3,977	4,391	4,391	3,749
Net cost of operations	6,497	5,872	5,872	6,017
Capital Expenditure				
Renewals	746	1,011	624	801
Service level improvements	347	1,869	1,793	258
Growth ²	-	2,183	456	0
Total capital expenditure	1,093	5,063	2,873	1,059

Budget variations

¹ Operational costs higher due to increased depreciation costs and lower revenue from water by meter customers.

² Growth and service level projects delayed, e.g. Area Q (Bell Block Residential), Okato bore and Oakura trunk main.



Funding Impact Statement for the year ended 30 June 2014

	Actual 2013/14 (\$000)	LTP 2013/14 (\$000)	LTP 2012/13 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	-	-	-
Targeted rates (other than a targeted rate for water supply)	7,759	6,783	6,679
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply	3,977	4,406	4,286
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	11,736	11,189	10,965
Applications of operating funding			
Payments to staff and suppliers	(2,904)	(2,726)	(2,906)
Finance costs	(1,782)	(2,044)	(2,024)
Internal charges and overheads applied	(1,862)	(2,722)	(2,646)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(6,548)	(7,492)	(7,576)
Surplus (deficit) of operating funding (A - B)	5,188	3,697	3,389
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(3,231)	1,262	(1,014)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	(3,231)	1,262	(1,014)
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	(502)	(108)
- to improve the level of service	(347)	(2,393)	(361)
- to replace existing assets	(746)	(769)	(578)
Increase (decrease) in reserves	(864)	(1,295)	(1,328)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(1,957)	(4,959)	(2,375)
Surplus (deficit) of capital funding (C - D)	(5,188)	(3,697)	(3,389)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 4(4), Local Government (Financial Reporting) Regulations 2011

Depreciation and amortisation expense

Depreciation expense	3,926	3,250	3,143
Less deferred/unfunded	(1,142)	(1,151)	(1,103)
Net funding transferred to renewals reserves	2,784	2,099	2,040

Wastewater Treatment



Responsibility

Manager Water & Wastes

What we deliver

The Council's Wastewater Treatment service provides a group of activities which collects, treats and disposes of domestic and industrial wastewater from urban areas of New Plymouth, Bell Block, Waitara, Inglewood and Ōākura. This service includes the development, operation and maintenance of treatment plants, pump stations and underground pipe networks (sewers). We also monitor the flow of trade waste into the wastewater network and provide disposal facilities for liquid effluent from domestic and industrial septic tanks. We handle on average 22m litres of wastewater each day, servicing more than 24,000 properties via 29 pump stations and 631km of sewers.

Why we do it

To dispose of wastewater in a safe and efficient manner ensuring healthy urban communities and minimising the environmental impact of treating wastewater. The Wastewater Treatment service ensures that public health and the environment is protected and provides a high level of reliability in emergency situations.

Significant challenges during the year

- Adjusting treatment processes following the successful upgrade of the aeration basins at the New Plymouth Wastewater Treatment Plant (project Wai Taatari Aeration).
- Investigating options for upgrades to the sludge treatment process to ensure capacity available once Waitara comes on line.
- Conversion of Waitara WWTP to Waitara Pumping station.
- Finalising the water and waste infrastructure needs for Area Q (Bell Block Residential) growth area.
- Continued high maintenance requirements for the Thermal Drying Facility.
- High trade waste loads being received resulting in higher sludge loads to be treated and disposed.

Major projects

For any significant capital projects relevant to Wastewater Treatment, refer to Note 23.

Wastewater Treatment



Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
Provide a reliable wastewater service.	Number of recorded dry weather overflow events entering natural water courses.	6	Not achieved (target 7) Thirteen events have occurred, seven in reticulation due to blockages (4) and pipe breakages (3). Six at sewage pump stations due to pump blockage (1), power outage (3) and equipment failure (2).	Not achieved 21 dry weather overflow events have occurred, 12 in reticulation due to blockages (9) and pipe breakage (3). Nine at sewage pump stations due to pump blockage (1), equipment failure (4) and power failure (4).
	Contractor compliance with target response times for maintenance and other customer requests.	97%	Not achieved 96%. Service restoration generally on time but final reinstatement not completed on time.	Not achieved 95.7%. Service restoration generally on time but final reinstatement not completed on time.
Manage the impact of wastewater treatment on the environment.	Compliance with wastewater treatment consent requirements.	100%	Not achieved 15 non-compliances in total. These were due to overwashes, high rainfall, power outage, equipment failure and contaminated lime supply. The Council was able to comply with all corrective actions requested by TRC by due dates.	Not achieved 8 non-compliance events recorded. Two 14 day letters from TRC with no further action following NPDC response. Two infringement notices issued. Effects on the environment less than minor.
Provide a sustainable wastewater service.	Percentage of total biosolids produced annually that are beneficially reused.	100%	Not achieved 64% produced. Biosolids landfilled during Wai Taatari upgrade project. One incident of illegal nickel contamination led to 63 tonnes of bio solids being landfilled.	Not achieved 99% of Bioboost produced was beneficially reused. 289 wet tonnes of sludge were disposed to landfill.
Ensure the network has the capacity to accommodate growth.	Percentage of population able to connect to the wastewater network (calculated as a percentage of total occupied dwellings within the district that are serviced).	88%	Achieved (target 87%) 94%	Achieved 89%

Wastewater Treatment



Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
Provide a wastewater service that meets community expectations.	Percentage of community satisfied with wastewater service (NRB survey).	95%	Achieved 95% (80% including don't know responses).	Achieved 95% (78% including don't know responses).
Major projects are completed on time and within budget.	Major projects are completed on time.	Annual work programme achieved	Not achieved Wai Taatari delay due to procurement and material supply delays. Knock-on effect will mean Waitara to NP sewer will be delayed until June 2014.	Not achieved Waitara pump station conversion delay due to NPWWTP upgrade.
	Major projects are completed within budget.	Annual work programme achieved within budget	Achieved Currently within or under total project budget.	Achieved Currently within or under total project budget.

Cost of Service Statement for the year ended 30 June 2014

The table below provides, in a standard accounting format, what the Wastewater Treatment activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2013/14 (\$000)	Adj Budget 2013/14 (\$000)	Budget 2013/14 (\$000)	Actual 2012/13 (\$000)
Activity expenditure ¹	15,394	14,751	14,751	14,129
Operating revenue	2,357	1,896	1,896	2,264
Net cost of operations	13,037	12,855	12,855	11,865
Capital Expenditure				
Renewals	2,983	7,206	3,539	3,868
Service level improvements	2,474	6,233	2,092	7,184
Growth	200	6,491	2,162	284
Total capital expenditure²	5,657	19,930	7,793	11,336

Budget variations

¹ Operating costs over budget due to higher depreciation costs.

² Capital expenditure under budget due to delays in projects, including Wai Taatari, Waitara to New Plymouth sewer and Area Q (Bell Block Residential).

Wastewater Treatment



Funding Impact Statement for the year ended 30 June 2013

	Actual 2013/14 (\$000)	LTP 2013/14 (\$000)	LTP 2012/13 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	-	-	-
Targeted rates (other than a targeted rate for water supply)	14,362	14,025	13,196
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply	2,350	1,890	1,840
Internal charges and overheads recovered	30	353	344
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	16,742	16,268	15,380
Applications of operating funding			
Payments to staff and suppliers	(4,375)	(4,118)	(3,909)
Finance costs	(3,768)	(4,318)	(4,021)
Internal charges and overheads applied	(1,907)	(2,621)	(2,546)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(10,050)	(11,057)	(10,476)
Surplus (deficit) of operating funding (A - B)	6,692	5,211	4,904
Sources of capital funding			
Subsidies and grants for capital expenditure	-	11	11
Development and financial contributions	-	-	-
Increase (decrease) in debt	(4,002)	1,211	8,370
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	(4,002)	1,222	8,381
Application of capital funding			
Capital expenditure			
- to meet additional demand	(200)	(2,473)	(2,464)
- to improve the level of service	(2,474)	(1,818)	(8,217)
- to replace existing assets	(2,983)	(3,616)	(4,364)
Increase (decrease) in reserves	2,967	1,474	1,760
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(2,690)	(6,433)	(13,285)
Surplus (deficit) of capital funding (C - D)	(6,692)	(5,211)	(4,904)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 4(4), Local Government (Financial Reporting) Regulations 2011

Depreciation and amortisation expense

Depreciation expense	5,367	4,706	4,346
Less deferred/unfunded	(1,822)	(1,828)	(1,611)
Net funding transferred to renewals reserves	3,545	2,878	2,735

Emergency Management and Business Continuance



Responsibility

Manager Infrastructure Support

What we deliver

New Plymouth District Council plans for and manages major and widespread emergency (civil defence) events. It does this as a member of the Taranaki Civil Defence Emergency Management Group jointly with the other Taranaki councils and in conjunction with other agencies and the Taranaki community. The Council also plans for and manages the continuation of its own services for all emergency events both major and minor. This service also includes planning for and managing rural fires over an area of 1.1m hectares.

Why we do it

To reduce the effect of emergency events and rural fires on the community's quality of life and ensure that Council services are maintained or restored as quickly as possible following such events. To meet the requirements of the Civil Defence Emergency Management Act 2002 and the Forest and Rural Fires Act 1977. These activities require the Council to take responsibility for the reduction of, readiness for, response to and recovery from risks and events associated with emergency management and rural fires.

Significant challenges during the year

Increased number of rural fires due to dry summer. A Council-wide exercise involving a simulation of volcanic eruption, Exercise Pahu was conducted.

Major projects

For any significant capital projects relevant to Emergency Management and Business Continuance, refer to Note 23.

Emergency Management and Business Continuance



Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
Planning for and management of emergency events.	Emergency processes and plans are up to date.	Processes and plans reviewed and updated	Achieved Processes and plans are being further updated following Exercise ShakeOut.	Achieved Exercise Pahu conducted to test practices and review processes and plan.
Control and extinguish fires in rural areas (except buildings which are the responsibility of the New Zealand Fire Service).	All reports of uncontrolled or unauthorised rural fires responded to within set timeframes and extinguished by the Council contractors where necessary.	100%	Achieved	Achieved
	Trained fire crews are available in all required areas and crew and equipment meet standards of audit.	Full compliance	Partial compliance National Rural Fire Authority performance evaluation recommended some minor improvements to the Council's Fire Plan. These recommendations are being actioned.	Not achieved Taranaki Rural Fire Authority now established to standardise training across Taranaki's fire crew to meet required standards.
Major projects are completed on time and within budget.	Major projects are completed on time.	Annual work programme achieved	Annual work programme achieved.	No major projects.
	Major projects are completed within budget.	Annual work programme achieved within budget	Annual work programme achieved within budget.	No major projects.

Cost of Service Statement for the year ended 30 June 2014

The table below provides, in a standard accounting format, what the Emergency Management and Business Continuance activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2013/14 (\$000)	Adj Budget 2013/14 (\$000)	Budget 2013/14 (\$000)	Actual 2012/13 (\$000)
Activity expenditure	451	446	446	406
Operating revenue	24	1	1	34
Net cost of operations	427	445	445	372
Total capital expenditure	-	-	-	-

Emergency Management and Business Continuance



Funding Impact Statement for the year ended 30 June 2014

	Actual 2013/14 (\$000)	LTP 2013/14 (\$000)	LTP 2012/13 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	427	443	472
Targeted rates (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply	-	1	32
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	427	444	504
Applications of operating funding			
Payments to staff and suppliers	(358)	(380)	(439)
Finance costs	-	-	-
Internal charges and overheads applied	(69)	(64)	(65)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(427)	(444)	(504)
Surplus (deficit) of operating funding (A - B)	-	-	-
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	-	-	-
Surplus (deficit) of capital funding (C - D)	-	-	-
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 4(4), Local Government (Financial Reporting) Regulations 2011

Depreciation and amortisation expense

Depreciation expense	-	-	-
Less deferred/unfunded	-	-	-
Net funding transferred to renewals reserves	-	-	-

Community Development



Responsibility

Manager Community Development

What we deliver

New Plymouth District Council's Community Development service provides co-ordination and support for community networks and groups to build their capacity to assist in developing a strong and connected community. The Community Development service works actively with key stakeholder groups to identify, develop and implement new initiatives that will contribute to greater community cohesion.

The service also provides administration of community funding and provision of tenancy services for the Council's housing for the elderly service.

Why we do it

To ensure community and voluntary organisations are equipped to make a significant contribution to the well-being and quality of life of the community.

Significant challenges during the year

- Partnership management has been a key focus for the progression of a number of collaborative projects this year, including the development of neighbourhood building initiatives, community directory improvements and the wheelhouse initiative. This has meant that expectations around timeframes and direction of some projects has needed to change, however the results have created stronger relationships and improved strategies to achieving the relevant outcomes.
- The implementation of the new Community Investment Funding Policy has been a challenge, however it will be of considerable benefit in the future in decision-making and monitoring of funding allocated.

Major projects

For any significant capital projects relevant to Community Development, refer to Note 23.

Community Development



Levels of service and performance information

Level of Service	Performance Measure	2012/13 Target	Results/Comments 2012/13	Results/Comments 2013/14
Support community initiatives that increase collaboration and contribute to a stronger sense of community.	Percentage of clients report an improvement in performance as a result of Community Development involvement.	85%	Achieved 93%	Achieved 100%
	Percentage of residents satisfied with Council assistance and support to community groups (NRB survey).	Exceeds peer group average	Achieved 92% satisfaction against 88% peer group average (68% satisfaction against 59% peer group average when don't know responses are included).	Achieved 95% satisfaction against 88% peer group average (61% satisfaction against 59% peer group average when don't know responses are included).
Build community capacity and capability by providing individual and group training opportunities.	Percentage of groups satisfied with the quality of training received.	85%	Achieved 100%	Achieved 100%
Administer and coordinate the housing for the elderly service.	Percentage of tenants satisfied with the service.	90%	Achieved 97%	Achieved 96%
Provide funding support for community organisations and initiatives.	Percentage of funding key performance indicators set by Council funded community organisations are achieved.	95%	Achieved The average achievement percentage of KPIs was 97%. Out of the 29 funding accountabilities received, 22 of these showed 100% KPI achievement.	Achieved The average achievement percentage of KPIs was 99%. Out of the 60 KPIs reported on from funded groups 57 of these showed 100% achievement.
Strategic relationships are pursued that lead to new opportunities or initiatives being undertaken within the community	Number of new opportunities initiated per year.	5	Achieved Five new initiatives undertaken. Two of these were community events, three are ongoing projects.	Achieved Five new initiatives undertaken. These are all collaborative projects with other organisations.

Community Development



Cost of Service Statement for the year ended 30 June 2014

The table below provides, in a standard accounting format, what the Community Development activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2013/14 (\$000)	Adj Budget 2013/14 (\$000)	Budget 2013/14 (\$000)	Actual 2012/13 (\$000)
Activity expenditure				
Community development ¹	658	757	757	727
Community funding* ²	3,041	3,523	3,053	4,511
Housing for the elderly	991	992	992	960
Total activity expenditure	4,690	5,272	4,802	6,198
Activity revenue				
Community development	1	-	-	15
Community funding	59	51	51	46
Housing for the elderly	980	962	962	969
Total activity revenue	1,040	1,013	1,013	1,030
Net cost of operations	3,650	4,259	3,789	5,168
Capital Expenditure				
Renewals	72	87	87	67
Service level improvements	-	-	-	-
Growth	-	-	-	-
Total capital expenditure	72	87	87	67

* Community funding expenditure includes Council concessions and rates remissions. This demonstrates the level of subsidy the Council provides to other organisations and is not an amount funded from rates.

Budget variations

¹ Reduced costs and changes in timing of some programmes.

² Total rates remissions under budget by \$204,000 which is off-set by reduced allocation of community funding.

Community Development



Funding Impact Statement for the year ended 30 June 2014

	Actual 2013/14 (\$000)	LTP 2013/14 (\$000)	LTP 2012/13 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	3,241	5,802	5,426
Targeted rates (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	54	46	46
Fees, charges, and targeted rates for water supply	980	962	962
Internal charges and overheads recovered	93	74	72
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	4,368	6,884	6,506
Applications of operating funding			
Payments to staff and suppliers	(3,727)	(5,765)	(5,448)
Finance costs	-	(29)	(29)
Internal charges and overheads applied	(761)	(840)	(786)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(4,488)	(6,634)	(6,263)
Surplus (deficit) of operating funding (A - B)	(120)	250	243
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	(72)	(87)	(90)
Increase (decrease) in reserves	192	(163)	(153)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	120	(250)	(243)
Surplus (deficit) of capital funding (C - D)	120	(250)	(243)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 4(4), Local Government (Financial Reporting) Regulations 2011

Depreciation and amortisation expense

Depreciation expense	289	297	289
Less deferred/unfunded	-	-	-
Net funding transferred to renewals reserves	289	297	289



Govett-Brewster Art Gallery

Responsibility

Director Govett-Brewster Art Gallery

What we deliver

The Govett-Brewster Art Gallery is New Zealand's premier contemporary art museum offering a group of activities within its programme of exhibitions and events including up to four suites of exhibitions, some 800 artworks and 60 education and cultural appreciation events each year. The Govett-Brewster is home to the collection of Taranaki, national and international artworks with a Pacific focus and the Collection and Archive of internationally recognised filmmaker and kinetic artist Len Lye (1901 to 1980). New Plymouth District Council has secured external funding (funding held and pledged) to build a Len Lye Centre for the care, display and development of the art and ideas of Len Lye. The Len Lye Centre will be developed as an extension to the existing Govett-Brewster building. Work on the new Len Lye Centre commenced in 2013 with the combined facility due to open in 2015.

Why we do it

The activities within this group provide a relevant and accessible art museum for residents and visitors. The Govett-Brewster contributes to quality of life and cultural well-being and raises the national and international profile of the New Plymouth District which is one reason why domestic and international visitors are attracted and a skilled workforce is retained in the area. It also contributes to delivering local arts, culture and events which are central to providing high quality and diverse cultural and recreational experiences and where independence and creativity is encouraged.

Significant challenges during the year

- Continuing fundraising and planning for the Len Lye Centre construction and completion was the main focus for the year. Significant funding of \$2.7m was secured through a successful application to the Lottery Grants Board Significant Projects Fund announced in March 2014 ensuring that the \$10m budget for capital construction of the Centre plus \$1.5m for fit-out of both the centre and its cinema are met through external funding.
- The Govett-Brewster remained closed for earthquake strengthening and building compliance purposes. Working off-site requires additional resourcing and effort. Six public art exhibitions were achieved and there were 15 community engagement events held at different venues in New Plymouth that had a specific role in building community spirit.
- Ministry of Education Learning Outside the Classroom (LEOTC) targets of 6,000 with those public art exhibitions and other programmes were successfully achieved. Consequently a LEOTC contract extension worth \$66,000 from July 2014 through to end December 2015 was secured.
- The appointment of new director Simon Rees was made in October 2013. He started in the role on 10 February 2014.

Major projects

For any significant capital projects relevant to Govett-Brewster Art Gallery, refer to Note 23.

Govett-Brewster Art Gallery



Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
Offer engaging exhibitions annually comprising solo and group exhibitions from Taranaki, New Zealand and the world.	Number of exhibition suites per year.	2	Achieved GBAG closed to the public 2 April 2013.	Because the Gallery building is closed, two suites were not achieved. Four <i>Open Window</i> projects took place at the Cafe entrance. Six off-site projects achieved.
Offer quality access to the art and ideas of Len Lye.	Number of Len Lye exhibitions annually.	0	Achieved Delay to closure for construction resulted in: <i>Len Lye: The New Yorker</i> at GBAG 1 December 2012 to 1 April 2013; and <i>Len Lye: Kaleidoscope</i> at City Gallery Wellington 2 March to 26 May 2013.	Achieved Three exhibitions held. Len Lye: Agiagia Mangere Arts Centre (13 December 2013 – 16 March 2014). Art of its own making includes Len Lye Wind Wands at the Pulitzer Foundation in St Louis (21 February – 23 August 2014). Len Lye: Motion Sketch at the Drawing Center, New York (16 – April – 15 June 2014). The opening exhibition and two publications are in development for mid 2015 (June).
Audiences have positive experiences of the Govett-Brewster Art Gallery and Len Lye Centre combined service.	Total visitors to the combined facility annually.	20,000	Achieved 62,230. Len Lye Centre project delays meant the Gallery closed in April 2013 and not October 2012. A further 163,428 attended GBAG exhibitions elsewhere.	Achieved 206,397 estimated viewers of public art projects including the Ann Shelton billboard project at Midhirst. The total includes viewers of touring exhibitions.
	Percentage of resident satisfaction with the service (NRB survey).	Meets or exceeds peer group average	Not Achieved 85% satisfaction against 90% peer group average (60% satisfaction against 53% peer group average when don't know responses are included).	Not measured in 2014.



Govett-Brewster Art Gallery

Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
Offer the combined Govett-Brewster Art Gallery and Len Lye Centre service as a quality learning experience.	Percentage of teachers satisfied with school experience.	95%	Achieved 97%	Achieved 100% of teaching experiences have been conducted off-site including outdoors.
Major projects are completed on time and within budget.	Major projects are completed on time.	Annual work programme achieved	Not achieved There were delays with the Len Lye Centre construction project.	Achieved The Len Lye Centre is due to open in mid 2015 (July).
	Major projects are completed within budget.	Annual work programme achieved within budget	Achieved Because of delays the Len Lye Centre project was under budget for the year.	Achieved The construction of the Len Lye Centre and the earthquake strengthening of GBAG remains within budget.

Note. 2012/13 and 2013/14 covers the transition period from Govett-Brewster Art Gallery to the combined facility with the Len Lye Centre.

Cost of Service Statement for the year ended 30 June 2014

The table below provides, in a standard accounting format, what the Govett-Brewster Art Gallery activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2013/14 (\$000)	Adj Budget 2013/14 (\$000)	Budget 2013/14 (\$000)	Actual 2012/13 (\$000)
Activity expenditure ¹	2,840	3,465	3,377	3,064
Operating revenue ²	2,538	6,164	2,700	3,745
Net cost of operations	302	(2,699)	677	(681)
Capital Expenditure				
Renewals	1,033	2,764	2,033	43
Service level improvements	4,073	4,037	5,957	1,467
Growth	-	-	-	-
Total capital expenditure	5,106	6,801	7,990	1,510

Budget variations

¹ Achieved operational savings/efficiencies to off-set loss of operating revenue due to full closure of the Govett-Brewster and timing of grants and sponsorships.

² Len Lye Centre capital revenue. A delay in building from Long-Term Plan timetable resulted in a delay to the timing of receipt of external revenue fundraising revenue. Loss of revenue is due to the full closure of the Govett-Brewster and the timing of grants and sponsorships.

Govett-Brewster Art Gallery



Funding Impact Statement for the year ended 30 June 2014

	Actual 2013/14 (\$000)	LTP 2013/14 (\$000)	LTP 2012/13 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	2,573	2,897	2,849
Targeted rates (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	20	279	228
Fees, charges, and targeted rates for water supply	74	130	133
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	2,667	3,306	3,210
Applications of operating funding			
Payments to staff and suppliers	(1,778)	(2,203)	(2,146)
Finance costs	-	-	-
Internal charges and overheads applied	(905)	(947)	(903)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(2,683)	(3,150)	(3,049)
Surplus (deficit) of operating funding (A - B)	(16)	156	161
Sources of capital funding			
Subsidies and grants for capital expenditure	2,433	2,282	5,782
Development and financial contributions	-	-	-
Increase (decrease) in debt	23	20	19
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	2,456	2,302	5,801
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	(4,073)	(5,059)	(3,558)
- to replace existing assets	(1,033)	(1,805)	(1,081)
Increase (decrease) in reserves	2,666	4,406	(1,323)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(2,440)	(2,458)	(5,962)
Surplus (deficit) of capital funding (C - D)	16	(156)	(161)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 4(4), Local Government (Financial Reporting) Regulations 2011

Depreciation and amortisation expense

Depreciation expense	146	250	243
Less deferred/unfunded	(87)	(88)	(85)
Net funding transferred to renewals reserves	59	162	158



Puke Ariki and District Libraries

Responsibility

Director Puke Ariki

What we do

The Council's Puke Ariki and District Libraries service provides a group of activities which includes a combined museum, library and visitor information centre (i-SITE) and district libraries. The museum serves Taranaki while the libraries and i-SITE serve New Plymouth District. Puke Ariki collects, cares for, promotes and provides physical and digital access to heritage materials, library lending material and information resources. Its key focus is on stimulating learning and creativity at many levels which it delivers through formal education programmes, public programming, exhibitions and its Taranaki Research Centre along with the provision of support facilities such as WiFi and information technology.

This service includes community libraries at Inglewood, Ōākura, Waitara, Bell Block and Urenui and a mobile library. Waitara, Inglewood and Bell Block libraries also operate as Council service centres.

Why we do it

To offer residents and visitors the chance to connect with ideas sparking creativity and innovation, and to provide them with learning opportunities to maximise their potential and capacity to contribute to our society and economy. To enhance the cultural well-being and quality of life in the district. Puke Ariki collects, protects and promotes access to our heritage to help grow a strong sense of Taranaki culture. It provides experiences that nurture cross-cultural understanding and greater understanding of Māori history and world view.

Significant challenges during the year

- Continued commitment to increasing online access to Puke Ariki resources, particularly those relating to the Heritage Collection, saw the commencement of the externally funded Swainson/Woods Digitisation project. During the year 45,000 images were added to the Vernon browser.
- Planning and research for Long Term Galleries refreshment project commenced and Puke Ariki has begun implementing the first stages of the work in the galleries.
- E-book purchasing is a challenge as many providers, including some of the major publishers have chosen not to make their books available to libraries and there are as many delivery models as there are providers. The National Library is currently working on a high level solution to this problem but in the meantime Puke Ariki is working to purchase and make available a broad range of titles through a small number of well established suppliers.

Major projects

For any significant capital projects relevant to Puke Ariki and District Libraries, refer to Note 23.

Puke Ariki and District Libraries



Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
Provide a broad range of events, services and exhibitions.	Number of visits to Puke Ariki and District Libraries per year.	800,000	Achieved 823,680 visits to Puke Ariki and community libraries. On top of this figure an additional 36,323 visits to the outside component of the Kiwi Prefab: Cottage to Cutting Edge exhibition on the foreshore.	Not achieved 774,534 visits to Puke Ariki and Community libraries recorded. Puke Ariki door counters have had to be replaced as it was discovered there was a fault in the North Wing counter which affected the last 3 months totals. As a result the counts are not an accurate reflection of actual visitation. Based on the previous nine months data and applying this to the last quarter the visitor numbers would have been in the vicinity of 800,690.
	Percentage of users satisfied with Puke Ariki.	95%	Achieved 97% of users are satisfied with Puke Ariki. This figure is the overall average from ongoing collection of feedback and online surveys throughout the year combined with the annual Puke Ariki and community libraries survey.	Achieved 98% of users are satisfied with Puke Ariki. This figure is the overall average from ongoing collection of feedback and surveys throughout the year.
Access to the Taonga Māori, Archives, Pictorial and Social History collections.	Requests for access are responded to within five working days.	100%	Achieved Requests for access are responded well within five working days.	Achieved Requests for access are responded well within five working days.

Puke Ariki and District Libraries



Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
To deliver a range of programmes which explore creativity, literacy and our heritage in ways which stimulate learning, innovation and prosperity.	Number of programmed learning opportunities (including seminars, exhibition based events, school programmes, facilitated groups etc) and number of attendees.	860 programmes 23,300 attendees	Achieved (target 855 programmes and 23,200 attendees) 1,019 programmed learning opportunities at Puke Ariki. This includes 669 facilitated education programmes conducted through Puke Ariki, the Taranaki Research Centre, Discover it and the community libraries as well as 350 exhibition related events and community events. 25,571 attendees to all events	Achieved 1,192 programmed learning opportunities at Puke Ariki. This includes 732 facilitated education programmes conducted through Puke Ariki, the Taranaki Research Centre, Discover it and the Community Libraries, as well as 460 exhibition related events and community events were held. 27,522 attendees to all events
	Percentage of attendees satisfied with the programmed learning activities.	95%	Achieved 98% overall average for attendees to all events. Teachers gave 100% satisfaction for education programmes.	Achieved 98% overall average for attendees to all events. Teachers gave 100% satisfaction for education programmes.
Provide an accessible mix of print and digital lending and reference resources suitable to meet the changing needs of the community.	Number of web page views on the Puke Ariki websites.	285,000	Achieved (target 275,000) 416,020 web page views on the Puke Ariki website, including the Kiwi Prefab: Cottage to Cutting Edge exhibition related website. This number historically only calculates the Puke Ariki website directly, it does not count library or heritage access (Kōtui and Vernon), which would increase this number significantly.	Achieved 1,263,682 (includes, Puke Ariki, Heritage Collection Browser (Vernon), Library (Kōtui and Kete) and Special Project Websites (Kiwi Prefab). Does not include i-SITE website.

Puke Ariki and District Libraries



Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
Provide an accessible and informative point of contact and booking service for visitors to New Plymouth District.	Number of tourism related enquiries per annum (includes bookings, web enquiries, and visits).	32,000	Achieved (target 31,000) 49,669 tourism related enquiries.	Achieved 57,816 tourism related enquiries.
Major projects are completed on time and within budget.	Major projects are completed on time.	Annual work programme achieved	<p>Not yet measured</p> <p>Puke Ariki has implemented an annual schedule of two major temporary exhibitions a year.</p> <p>Long-term galleries refreshment takes longer to plan for due to analysis of internal and external stakeholder requirements and associated recruitment of skills necessary to undertake the project.</p> <p>Library resources have introduced ebooks and continue developing the digital and hard copy collections with RFID tagging to commence in the 2013/14 year.</p>	<p>Puke Ariki continues the annual programme of two major temporary exhibitions supported by several smaller exhibitions that utilize Puke Ariki collections.</p> <p>Long Term galleries refreshment commenced and forward planning in place.</p> <p>The shelf ready library supply company took longer to set up their system to handle the implementation of RFID tagging and the first of the tagged items started arriving at the end of the financial year.</p> <p>During the 2013/14 year the ebook collection grew by 200%.</p>
	Major projects are completed within budget.	Annual work programme achieved within budget	<p>Not yet measured</p> <p>Budget underspent as above.</p>	Budget on track with staged work of the projects.

Puke Ariki and District Libraries



Cost of Service Statement for the year ended 30 June 2014

The table below provides, in a standard accounting format, what the Puke Ariki and District Libraries activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2013/14 (\$000)	Adj Budget 2013/14 (\$000)	Budget 2013/14 (\$000)	Actual 2012/13 (\$000)
Activity expenditure	11,019	12,537	12,355	11,209
Operating revenue	805	1,141	969	812
Net cost of operations¹	10,214	11,396	11,386	10,397
Capital Expenditure				
Renewals ²	616	1,104	955	604
Service level improvements ³	491	610	472	184
Growth	-	-	-	-
Total capital expenditure	1,107	1,714	1,427	788

Budget variations

- ¹ Expenditure underspend was largely due to depreciation recalculations along with delays in programmes such as the Long-Term Gallery refresh. Operating efficiencies have also been made in a number of areas. There is also a significant portion of external funding for 2013/14 which have been carried forward for completion in 2014/15.
- ² These are for books that have been ordered but are yet to be invoiced due to publication and delivery delays.
- ³ The Long-Term Galleries refreshment programme was delayed due to staff changes resulting in planning and consultation starting later than expected.

Puke Ariki and District Libraries



Funding Impact Statement for the year ended 30 June 2014

	Actual 2013/14 (\$000)	LTP 2013/14 (\$000)	LTP 2012/13 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	10,433	12,044	11,357
Targeted rates (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	332	526	659
Fees, charges, and targeted rates for water supply	399	562	547
Internal charges and overheads recovered	163	168	164
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	11,327	13,300	12,727
Applications of operating funding			
Payments to staff and suppliers	(5,791)	(6,716)	(6,709)
Finance costs	-	-	-
Internal charges and overheads applied	(3,595)	(3,992)	(3,796)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(9,386)	(10,708)	(10,505)
Surplus (deficit) of operating funding (A - B)	1,941	2,592	2,222
Sources of capital funding			
Subsidies and grants for capital expenditure	5	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	5	-	-
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	(448)	(473)	(216)
- to replace existing assets	(616)	(959)	(864)
Increase (decrease) in reserves	(882)	(1,160)	(1,142)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(1,946)	(2,592)	(2,222)
Surplus (deficit) of capital funding (C - D)	(1,941)	(2,592)	(2,222)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 4(4), Local Government (Financial Reporting) Regulations 2011

Depreciation and amortisation expense

Depreciation expense	1,727	2,357	2,225
Less deferred/unfunded	(229)	(230)	(223)
Net funding transferred to renewals reserves	1,498	2,127	2,002

Recreation and Events



Responsibility

Manager Recreation and Events

What we deliver

The Recreation and Events service provides a group of activities which includes four multi-purpose recreation and entertainment venues: TSB Bowl of Brooklands, TSB Showplace, TSB Stadium and Yarrow Stadium. It provides community events such as the annual TSB Bank Festival of Lights, Taranaki Home & Lifestyle Expo and support for other events such as the New Zealand Surf Festival, as well as being the host city partner for WOMAD 2014-2016. New Plymouth District Council also provides five swimming pool complexes and learn to swim and fitness programmes. The Council will continue to provide financial support to the Bell Block Community Pool Society Incorporated to fund the staffing costs for the Bell Block Community Pool. A total of \$117,900 was provided by the Council and incorporated within the Council's swimming pool budget. This amount included an existing \$63,800 allocation previously provided by Community Development.

Why we do it

To provide high-quality and affordable recreation and entertainment opportunities for residents, with the added benefit of attracting visitors to the district.

The Recreation and Events service contributes to the delivery of arts, community and cultural events, music and entertainment, sports and recreation events and special interest initiatives which brings people together and provides the opportunity to appreciate, celebrate, contribute and stimulate New Plymouth District's diversity, history, traditions and interests.

Significant challenges during the year

- Attracting concerts to the TSB Bowl of Brooklands remained difficult in view of performers' preferences to play at indoor arenas or major stadiums, especially those in Auckland.
- Delivering on two Super 15 Rugby matches at Yarrow Stadium was successful and challenging but introduced new business to Yarrow Stadium.
- Securing sponsorship for the TSB Bank Festival of Lights is more challenging as each year passes. However, the Festival was voted Winner of the Best Established Community Event by the New Zealand Association of Event Professionals.
- Satisfying the expectations of customers at the Todd Energy Aquatic Centre due to the demand for lane swimming space.
- Achieving an acceptable balance of commercial events and community use of the TSB Stadium, as determined by the public/ private benefit proportions in the Revenue and Financing Policy.

Major projects

For any significant capital projects relevant to Recreation and Events, refer to Note 23.

Recreation and Events



Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
Provide high quality community pools which encourage more of the community to participate in aquatic activities.	Percentage of residents satisfied with the swimming facilities and staff service (NRB survey).	80%	Achieved 95% (84% including don't know responses).	Achieved 93% (80% including don't know responses).
	Pool patronage per year.	330,000	Achieved 425,564 includes district pools	Achieved 414,362 includes district pools
Provide a range of events which appeal to residents and visitors.	Percentage of residents satisfied with the events (NRB survey).	95%	Not Achieved 90% (85% including don't know responses). Responses seem to reflect the absence of major events at the TSB Bowl of Brooklands and at Yarrow Stadium when the survey was undertaken in March 2013.	Achieved 95% (87% including don't know responses).
	Percentage of residents satisfied with the events venues (NRB survey)	90%	Achieved 98% (95% including don't know responses).	Achieved 97% (93% including don't know responses).
Provide a network of high quality venues that create more opportunities for the community to attend arts, culture and sport and recreation activities.	Number of events and attendees across all venues increases annually.	275,000 attendees 475 events (total across all venues)	Achieved 321,001 attendees, 903 events (total across all venues). All venues had a strong year with increase in business and with strong attendances at events.	Achieved 299,924 attendees 873 events (total across all venues).
All venues and pools are managed to a high level of health and safety.	All required health and safety standards are met	All standards are met	Achieved All pools Poolsafe accredited.	Achieved All pools Poolsafe accredited.

Recreation and Events



Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
Major projects are completed on time and within budget.	Major projects are completed on time.	Annual work programme achieved	On track TSB Stadium and Todd Energy Aquatic Centre feasibility studies underway as part of the Long-Term Plan.	TSB Stadium and Todd Energy Aquatic Centre feasibility studies will be reported back as part of the Long-Term Plan process.
	Major projects are completed within budget.	Annual work programme achieved within budget	On track Feasibility studies are within allocated budget.	On track Feasibility studies completed within allocated budget.

Cost of Service Statement for the year ended 30 June 2014

The table below provides, in a standard accounting format, what the Recreation and Events activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2013/14 (\$000)	Adj Budget 2013/14 (\$000)	Budget 2013/14 (\$000)	Actual 2012/13 (\$000)
Activity expenditure				
Pools ¹	4,260	4,469	4,469	4,208
Programmes and event ²	1,376	1,494	1,494	1,519
Event venues ³	4,122	3,645	3,590	3,997
Total activity expenditure	9,758	9,608	9,553	9,724
Activity revenue				
Pools ⁴	1,281	1,327	1,327	1,410
Programmes and events ⁵	392	438	438	371
Event venues ⁶	1,624	897	897	1,206
Total activity revenue	3,297	2,662	2,662	2,987
Net cost of operations	6,461	6,946	6,891	6,737
Capital Expenditure				
Renewals ⁷	1,036	1,514	1,039	324
Service level improvements	282	309	178	146
Growth	-	31	11	0
Total capital expenditure	1,318	1,854	1,228	470

Budget variations

- ¹ Operational maintenance costs lower due to pool shut-down deferred to 2014/15.
- ² Some operational and depreciation savings.
- ³ Increased business activity.
- ⁴ Reduction in summer patronage due to weather.
- ⁵ Sponsorship target not achieved.
- ⁶ Increased business activity
- ⁷ Indoor pool maintenance project deferred to 2014/15.

Recreation and Events



Funding Impact Statement for the year ended 30 June 2014

	Actual 2013/14 (\$000)	LTP 2013/14 (\$000)	LTP 2012/13 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	6,363	7,533	7,065
Targeted rates (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	620	354	354
Fees, charges, and targeted rates for water supply	2,344	2,370	2,370
Internal charges and overheads recovered	435	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	9,762	10,257	9,789
Applications of operating funding			
Payments to staff and suppliers	(5,579)	(6,043)	(5,878)
Finance costs	-	-	-
Internal charges and overheads applied	(3,095)	(2,917)	(2,660)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(8,674)	(8,960)	(8,538)
Surplus (deficit) of operating funding (A - B)	1,088	1,297	1,251
Sources of capital funding			
Subsidies and grants for capital expenditure	93	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	190	(64)	(62)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	283	(64)	(62)
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	(11)	(10)
- to improve the level of service	(282)	(179)	(174)
- to replace existing assets	(1,036)	(1,044)	(853)
Increase (decrease) in reserves	(53)	1	(152)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(1,371)	(1,233)	(1,189)
Surplus (deficit) of capital funding (C - D)	(1,088)	(1,297)	(1,251)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 4(4), Local Government (Financial Reporting) Regulations 2011

Depreciation and amortisation expense

Depreciation expense	1,280	1,447	1,398
Less deferred/unfunded	(191)	(234)	(228)
Net funding transferred to renewals reserves	1,089	1,213	1,170

Regulatory Services



Responsibility

Manager Customer and Regulatory Services, Manager Consents and Manager Environmental Strategy and Policy

What we deliver

The Council's Regulatory Services includes land use and subdivision consents and their monitoring, District Plan administration, building control, environmental health, animal control, parking, alcohol and food licensing and control, and bylaw enforcement. The service also includes the provision of information and education on regulations.

Why we do it

To contribute to a safe and progressive community and to maintain an enjoyable living and working environment in the district.

Significant challenges during the year

- Community concerns regarding the effects of the oil and gas industry.
- Noise monitoring of petrochemical plants and oil and gas exploration.
- Implementation of the Sale and Supply of Alcohol Act 2012.
- Project for clearing backlog of non-registration of dogs.
- Operational management of new parking technology.

Major projects

For any significant capital projects relevant to Regulatory Services, refer to Note 23.

Regulatory Services



Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
Ensure that all animal control processes contribute to a safe and healthy community.	Percentage of known dogs registered.	95%	Not achieved 94%. A small percentage of dog owners continue to fail to register their dogs, notify the Council of deceased dogs or change of address.	Achieved 98%.
	Percentage of community satisfied with animal control (NRB survey).	Exceeds peer group average	Achieved 91% satisfaction against 79% peer group average (85% satisfaction against 74% peer group average when don't know responses are included).	Achieved 88% satisfaction against 79% peer group average (81% satisfaction against 74% peer group average when don't know responses are included).
Maximise use of on-street car parking space.	Average rate of occupation of CBD on-street parking spaces.	85%	Not achieved 47%. New technology providing real time accurate data.	Not achieved 43%
The health and safety of the public is protected by ensuring food premises meet required standards.	Percentage of premises inspected with no remedial steps required.	95%	Achieved 96%. No closures of food premises required.	Achieved 96%. No closure of food premises required.
Ensure alcohol licensed premises comply with statutory and licence provisions.	Percentage of alcohol licences that comply with statutory and licence provisions (as a result of inspections, complaints and Controlled Purchase Operations).	95%	Achieved 95%. Most non-compliances as a result of signage deficiencies relating to availability of food.	Achieved 99%
Customers are satisfied with building consent service.	Percentage of customers using building consent processes are satisfied with the service provided.	80%	Achieved 95%. New measure this year.	Achieved 94%
Ensure customers are satisfied with access to information on Regulatory Services.	Percentage of customers accessing information on regulatory processes are satisfied with the service provided (in-house survey).	80%	Achieved 91%. High satisfaction rate continues.	Achieved 95%

Regulatory Services



Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
Ensure customers are satisfied with resource consent services.	Percentage of customers using resource consent processes are satisfied with the service provided.	80%	Not achieved 69%. This is still considered to be a good result based on national comparisons. Comments received reflect negativity with legislative requirements which can be adversarial, costly and time consuming. Other comments sought improved communication.	Not achieved 60% based on a very small sample. Only 5 of the 36 invited Consents customers participated. Comments received seek improved access to in-house planners and timely communications.
Consents are processed within statutory timeframes.	Percentage of building consent applications processed within the statutory timeframes.	100%	Achieved	Achieved
	Percentage of all non-notified land use and subdivision consents are processed within statutory timeframe.	100%	Not achieved 99%. One subdivision and one land use consent exceeded timeframe.	Not achieved 98%. Five subdivision and one land use consents exceeded timeframe.
Major projects are completed on time and within budget.	Major projects are completed on time.	Annual work programme achieved	Achieved Parking technology upgrade complete with exception of zeroing out of parking machines.	Not achieved Zeroing out of parking machines on hold due to technical difficulties.
	Major projects are completed within budget.	Annual work programme achieved within budget	Achieved Overall, budget parameters met with some additional variations due to change in scope of project to include Warehouse car park and general signage.	Achieved Sale and Supply of Alcohol legislation successfully implemented.

Regulatory Services



Cost of Service Statement for the year ended 30 June 2014

The table below provides, in a standard accounting format, what the Regulatory Services activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2013/14 (\$000)	Adj Budget 2013/14 (\$000)	Budget 2013/14 (\$000)	Actual 2012/13 (\$000)
Activity expenditure				
Animal control	1,206	1,073	1,073	1,101
Buildings consents	3,374	3,367	3,367	3,080
Environmental strategy and policy	1,325	1,387	1,387	1,435
Resource consents	2,396	2,192	2,188	2,291
Environmental health	931	995	995	999
Parking ¹	2,109	1,949	1,743	1,864
Total activity expenditure	11,341	10,963	10,753	10,770
Activity revenue				
Animal control	840	796	796	739
Buildings consents ²	2,939	2,634	2,634	2,494
Environmental strategy and policy	9	-	-	-
Resource consents ²	2,831	1,632	1,633	2,174
Environmental health	403	333	333	367
Parking ¹	3,455	3,744	3,678	3,014
Total activity revenue	10,477	9,139	9,074	8,788
Net cost of operations	864	1,824	1,679	1,982
Capital Expenditure				
Renewals	45	58	58	1,126
Service level improvements	9	11	11	306
Growth	2	-	-	-
Total capital expenditure	56	69	69	1,432

Budget variations

¹ Expenditure exceeded forecast due to introduction of new parking system, inclusive of depreciation and maintenance.

² Buoyant development and construction activity resulted in increased revenue above that forecasted.

Regulatory Services



Funding Impact Statement for the year ended 30 June 2014

	Actual 2013/14 (\$000)	LTP 2013/14 (\$000)	LTP 2012/13 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	2,213	2,288	2,348
Targeted rates (other than a targeted rate for water supply)	34	34	34
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply	7,275	6,843	6,607
Internal charges and overheads recovered	311	388	376
Local authorities fuel tax, fines, infringement fees, and other receipts	897	1,724	1,538
Total operating funding (A)	10,730	11,277	10,903
Applications of operating funding			
Payments to staff and suppliers	(6,389)	(6,546)	(6,380)
Finance costs	-	-	-
Internal charges and overheads applied	(4,152)	(4,494)	(4,307)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(10,541)	(11,040)	(10,687)
Surplus (deficit) of operating funding (A - B)	189	237	216
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	1,545	688	670
Increase (decrease) in debt	10	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	1,555	688	670
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	(10)	(11)	(319)
- to replace existing assets	(45)	(58)	(98)
Increase (decrease) in reserves	(1,689)	(856)	(469)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(1,744)	(925)	(886)
Surplus (deficit) of capital funding (C - D)	(189)	(237)	(216)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 4(4), Local Government (Financial Reporting) Regulations 2011

Depreciation and amortisation expense

Depreciation expense	351	186	168
Less deferred/unfunded	(162)	(22)	(21)
Net funding transferred to renewals reserves	189	164	147

Economic Development



Responsibility

Manager Executive Services

What we deliver

New Plymouth District Council contributes to economic development in a number of ways including district planning, recreation and entertainment facilities, parking management, and the provision of roads and infrastructure. In addition the Council undertakes specific initiatives such as art and cultural services, and the provision or support for events. The Council funds and oversees the Venture Taranaki Trust for delivery of the District's economic development initiatives and regional tourism contracts including leadership and support for strategies for the creation of a vibrant and prosperous economy; promotion, support and guidance for business growth, investment and employment opportunities; and support for the district's commercial enterprises.

Why we do it

To maintain and develop the district as an attractive place for people to visit, live and enjoy a prosperous and sustainable economic future.

Significant challenges during the year

The contract with Venture Taranaki Trust reflects the Council's priorities and strategies for the economic development of the district in 2014/15. The Council adopted an Economic Development Strategy for the district in May 2014 and Venture Taranaki Trust's Statement of Intent for the year to 30 June 2015 and 2014/15 Business Plan reflect the priorities of the strategy.

Major projects

For any significant capital projects relevant to Economic Development, refer to Note 23.

Economic Development



Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
Promote New Plymouth District and the Taranaki region as a vibrant and desirable place to live, work and visit.	Attract or retain major events.	5 major events	Achieved Events contracted included Steelformers around the Mountain Relay 2012; Taranaki Round the Mountain Cycle Challenge; TropFest; Wells New Plymouth Half Ironman; Bikes, Blues & Hot Cars; WOMAD; New Zealand Surf Festival; Taranaki International Arts Festival; and the Powerco Taranaki Garden Spectacular	Achieved 12 events. Events contracted included AmeriCARna, Taranaki Steelformers Around the Mountain Relay, NZ Tattoo & Art Festival, Tenix Taranaki Cycle Challenge Around the Mountain, Tropfest, Wells New Plymouth Half Ironman, Lionel Richie and John Farnham 'All the Hits, All Night Long', ITU World Cup Sprint Distance Race, New Zealand Surf Festival, Powerco Garden Spectacular, Taranaki Cycle.
Facilitate, promote, encourage and support sustainable business growth, investment and employment opportunities in Taranaki.	Amount of investment into regional businesses per year, subject to central government policy.	\$500,000	Achieved \$1,643,565. 28 investments made with Taranaki's largest single project investment made in the amount of \$816,400	Achieved \$1,963,383 of R & D investments approved into region's businesses in 2013/14 year (across 31 approvals).
	Client satisfaction with business support services provided per year.	>80%	Achieved 85% client satisfaction (either satisfied or very satisfied) with business support services	Achieved 90% client satisfaction with Venture Taranaki business services.
	Level of investment in management capability building per year for Taranaki's Small and Medium Size Enterprises.	\$140,000	Achieved \$308,430. 228 vouchers issued to Taranaki businesses investing in building their capability	Achieved \$331,402 of investment approved into region's businesses in 2013/14 year (across 225 vouchers).

Economic Development



Cost of Service Statement for the year ended 30 June 2014

The table below provides, in a standard accounting format, what the Economic Development activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2013/14 (\$000)	Adj Budget 2013/14 (\$000)	Budget 2013/14 (\$000)	Actual 2012/13 (\$000)
Activity expenditure	2,812	2,810	2,810	3,016
Operating revenue	-	-	-	-
Net cost of operations	2,812	2,810	2,810	3,016
Capital Expenditure				
Renewals	-	-	-	-
Service level improvements	-	-	-	-
Growth	-	-	-	-
Total capital expenditure	-	-	-	-

Economic Development



Funding Impact Statement for the year ended 30 June 2014

	Actual 2013/14 (\$000)	LTP 2013/14 (\$000)	LTP 2012/13 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	2,812	3,039	2,954
Targeted rates (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	2,812	3,039	2,954
Applications of operating funding			
Payments to staff and suppliers	(2,757)	(2,965)	(2,884)
Finance costs	-	-	-
Internal charges and overheads applied	(55)	(74)	(70)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(2,812)	(3,039)	(2,954)
Surplus (deficit) of operating funding (A - B)	-	-	-
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	-	-	-
Surplus (deficit) of capital funding (C - D)	-	-	-
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 4(4), Local Government (Financial Reporting) Regulations 2011

Depreciation and amortisation expense

Depreciation expense	-	-	-
Less deferred/unfunded	-	-	-
Net funding transferred to renewals reserves	-	-	-

Civic and Democracy Services



Responsibility

Manager Democratic Services

What we deliver

This service provides administrative, secretarial and support services to the elected Council, community boards, committees and working parties. It also manages local elections.

Why we do it

To ensure the effective operation of the Council's decision-making process.

Significant challenges during the year

Levels of service were achieved without significant challenges.

Major projects

There are no major capital projects relevant to Civic and Democracy Services.

Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
Properly manage local elections.	Elections and polls will comply with the provisions of the Local Electoral Act 2001 with no successful petitions for inquiry into the conduct of elections.	Full compliance	No elections	Full compliance
Compliance with statutory deadlines.	Long-Term Plan, Annual Plan and Annual Report will all be adopted within timeframes set in the Local Government Act 2002.	Full compliance	Achieved	Achieved
	Meeting agendas will be available as specified by legislation.	Full compliance	Achieved	Achieved

Civic and Democracy Services



Cost of Service Statement for the year ended 30 June 2014

The table below provides, in a standard accounting format, what the Civic and Democracy Services activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2013/14 (\$000)	Adj Budget 2013/14 (\$000)	Budget 2013/14 (\$000)	Actual 2012/13 (\$000)
Activity expenditure	5,801	6,181	6,181	5,455
Operating revenue	229	137	137	26
Net cost of operations	5,572	6,044	6,044	5,429
Capital Expenditure				
Renewals	-	-	-	-
Service level improvements	-	-	-	-
Growth	-	-	-	-
Total capital expenditure	-	-	-	-

Civic and Democracy Services



Funding Impact Statement for the year ended 30 June 2014

	Actual 2013/14 (\$000)	LTP 2013/14 (\$000)	LTP 2012/13 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	5,479	5,821	5,649
Targeted rates (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply	219	137	3
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	5,698	5,958	5,652
Applications of operating funding			
Payments to staff and suppliers	(2,236)	(2,048)	(1,729)
Finance costs	-	-	-
Internal charges and overheads applied	(3,556)	(4,004)	(3,877)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(5,792)	(6,052)	(5,606)
Surplus (deficit) of operating funding (A - B)	(94)	(94)	46
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	94	94	(46)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	94	94	(46)
Surplus (deficit) of capital funding (C - D)	94	94	(46)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 4(4), Local Government (Financial Reporting) Regulations 2011

Depreciation and amortisation expense

Depreciation expense

Less deferred/unfunded

Net funding transferred to renewals reserves

-	-	-
-	-	-
-	-	-

Management of Investments and Funding



Responsibility

General Manager Business Services

What we deliver

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

Why we do it

To protect and develop key funding sources for the Council.

Significant challenges during the year

The biggest challenge for the Council regarding management of investments is managing the Council's finances with a greatly reduced dividend from the PIF, which was reduced to \$10.4m (budget) in 2013/14 from \$18.3m (budget) the prior year. Greater focus on cost control and financial management has meant the Council is managing its operations with reduced investment income.

The LGFA continues to operate ahead of its business plan and has played a key role in reducing borrowing costs through reduced lending margins. The Council now has \$46 million of borrowing with the LGFA.

Internal Borrowing

The Council borrows for long life assets (assets with a life greater than 10 years). Assets with lives less than 10 years are rates funded. The Council runs a centralised treasury function which manages borrowing, investments and liquidity for all Council activities; ensuring borrowing is managed in line with the Treasury Management Policy.

Borrowing for targeted rate areas including Waste Water, Solid Waste and Water are based on the long life infrastructural assets they have built, and are treated as externally borrowed funds and charged and rated accordingly. The borrowing for the general rate funding activities flows through investment management. General rate areas including Parks, Roads, Recreation and Events etc borrow based on the same rules of borrowing for long life assets.

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

Major projects

For any significant capital projects relevant to Management of Investments and Funding, refer to Note 23.

Management of Investments and Funding



Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2012/13	Results/Comments 2013/14
Manage the Perpetual Investment Fund (PIF) to provide sustainable revenue flows to the Council.	A release to the Council before costs of Taranaki Investment Management Limited as release rule covers both from the PIF in accordance with the release rule*.	\$10.4m	\$9.04m (target \$18.3m) Due largely to the Council's strong cash position where net debt was better than budget by \$43 million, the Council made the decision not to take the quarter 3 and 4 release from the PIF, effectively bringing forward their decision in the 2013/14 annual plan process to reduce the release from the PIF.	\$5.02m Due largely to the Council's strong cash position where net debt was better than budget by \$43 million, the Council made the decision to defer quarters 3 and 4 of the release from the PIF.
Manage the Council's borrowing programme in compliance with the Liability Management Policy.	Debt levels and costs within limits set by policy.	All measures met	All measures met	All measures met
	Gross debt not to exceed 20 per cent of total assets.	All measures met	All measures met	All measures met
	Net debt not to exceed 135 per cent of total revenues including rates.	All measures met	All measures met	All measures met
	Pre-tax funds from operations to exceed net interest expense by at least 2.5 times.	All measures met	All measures met	All measures met

* The release rule for the PIF is a formula that determines the annual release to be made from the PIF ahead of the year it will apply to. It has three components:

1. Eighty per cent of the previous year's release, inflation adjusted for the year prior to that to be budgeted for. For 2013/14 the 80% is rebased at 4% of the closing audited balance of the Fund as at 30 June 2012 being \$227m; plus
2. Twenty per cent of a 3.3% portion of the year-end audited capital value of the PIF, inflation adjusted for the year prior to that to be budgeted for.

The 3.3% is a long-term release target that strikes a balance between the sustainability of the annual release and the real capital value of the PIF.

3. The introduction of a 4.0% cap, whereby once the target release is reached in three years, future releases from the Fund will be capped at 4.0% of the previous year's audited value of the Fund.

The release rule smooths the potential annual fluctuations that would otherwise occur if a straight percentage of annual value was used. As such it provides greater certainty for the Council on annual release levels for budgeting purposes.

Management of Investments and Funding



Cost of Service Statement for the year ended 30 June 2014

The table below provides, in a standard accounting format, what the Management of Investments and Funding activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2013/14 (\$000)	Adj Budget 2013/14 (\$000)	Budget 2013/14 (\$000)	Actual 2012/13 (\$000)
Activity expenditure				
Investment management	822	668	668	(473)
Afforestation ¹	1,401	393	393	173
Operational Property ²	2,174	3,344	1,353	1,445
Total activity expenditure	4,397	4,405	2,414	1,145
Activity revenue				
Investment management ³	4,390	1,699	1,699	3,463
Afforestation ⁴	1,010	464	464	458
Operational Property ²	2,573	3,972	1,981	2,182
Total activity revenue	7,973	6,135	4,144	6,103
Net cost of operations	(3,576)	(1,730)	(1,730)	(4,958)
Capital Expenditure				
Renewals	-	-	-	-
Service level improvements	-	-	-	-
Growth	-	-	-	-
Total capital expenditure	-	-	-	-

Budget variations

- ¹ Expenses greater than budget due to a \$610k revaluation adjustment of the forestry.
- ² Operational property, both expenses and revenue, higher than budget and last year's actual due to Yarrow Stadium work done on behalf of the Taranaki Regional Council.
- ³ Income is greater than planned due to interest charged to operating units and interest received on cash reserve which were greater than budget.
- ⁴ Forestry revenues higher due to strong log prices

Management of Investments and Funding



Funding Impact Statement for the year ended 30 June 2014

	Actual 2013/14 (\$000)	LTP 2013/14 (\$000)	LTP 2012/13 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	(9,187)	(19,969)	(19,950)
Targeted rates (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	11	-	-
Fees, charges, and targeted rates for water supply	(368)	1	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	14,521	23,488	24,209
Total operating funding (A)	4,977	3,520	4,259
Applications of operating funding			
Payments to staff and suppliers	(3,770)	(2,498)	(2,442)
Finance costs	884	1,450	1,392
Internal charges and overheads applied	(1,148)	(1,214)	(1,168)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(4,034)	(2,262)	(2,218)
Surplus (deficit) of operating funding (A - B)	943	1,258	2,041
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(5,352)	1,667	(1,498)
Gross proceeds from sale of assets	3,564	1,223	1,139
Lump sum contributions	-	-	-
Total sources of capital funding (C)	(1,788)	2,890	(359)
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	845	(876)	(1,581)
Increase (decrease) of investments	-	(3,272)	(101)
Total applications of capital funding (D)	845	(4,148)	(1,682)
Surplus (deficit) of capital funding (C - D)	(943)	(1,256)	(2,041)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 4(4), Local Government (Financial Reporting) Regulations 2011

Depreciation and amortisation expense

Depreciation expense	27	27	28
Less deferred/unfunded	(2,144)	(144)	(143)
Net funding transferred to renewals reserves	(2,117)	(117)	(115)



Section 3 **Financial Statements**

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Statement of Accounting Policies

Reporting Entity

- a) New Plymouth District Council (NPDC) is a territorial local authority governed by the Local Government Act 2002 and domiciled in New Zealand.
- b) The primary objective of NPDC is to provide goods or services for the community, for social benefit rather than financial return.
- c) The financial statements cover all the activities of NPDC ("District", including trading activities, New Plymouth Airport Joint Venture and four Forestry Joint Ventures and "Consolidated", including subsidiaries Taranaki Investment Management Limited, Venture Taranaki Trust, Len Lye Centre Trust and Tasman Farms Limited).

Taranaki Investment Management Limited, Venture Taranaki Trust and Tasman Farms Limited are Council-controlled Trading Organisations as defined in Part 1, Section 6 of the Local Government Act 2002.

NPDC is involved in five joint venture agreements which are Council-controlled trading organisations. The ownership and operation of the New Plymouth Airport is undertaken as a joint venture between the New Zealand Government (50 per cent) and New Plymouth District Council (50 per cent). There are four joint venture forestry agreements: the Tarata Ngatimaru Pukehou Joint Venture (60 per cent), Oakura Farms Limited Joint Venture (60 per cent), Duthie Joint Venture (54.8 per cent) and the McKay Joint Venture (56.5 per cent).

Separate financial statements have been prepared for each of the joint ventures for the year ended 30 June 2014.

The financial statements and group financial statements of NPDC have been prepared in accordance with the requirements of Section 98 of the Local Government Act 2002 and New Zealand Generally Accepted Accounting Practice (NZ GAAP). New Plymouth District Council (the Council) complies with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS). The Council is a public benefit entity (PBE) and has applied the PBE exemptions available under NZ IFRS.

- d) The financial statements include activity Cost of Service Statements, Funding Impact Statements, a Statement of Comprehensive Income, a Statement of Changes in Equity, a Statement of Financial Position and a Statement of Cash Flows, with supporting notes.
- e) The financial statements of NPDC are for the year ended 30 June 2014. The financial statements were authorised for issue by the Council on the date they were signed.
- f) Standards, interpretations, and amendments that have been issued but are not yet effective, can be found in Note 32. The Council intends to apply these standards when they become mandatory.

Measurement Base

The financial statements have been prepared on a historical cost basis modified by revaluation of certain assets and liabilities. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest thousand dollars.

Both the functional and presentation currency of NPDC Group is New Zealand dollars. The Australian subsidiaries' functional currency is in Australian dollars (AU\$) which is translated into presentation currency.

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

Statement of Accounting Policies



Translation of the Group's functional currency to presentation currency: All foreign operations are independent. The Statement of Comprehensive Income and Statement of Cash Flows of those operations are translated at the average rate during the year and the Statement of Financial Position of those operations are translated at the exchange rate prevailing at the balance date. The exchange difference arising from the translation of the opening net investment at an exchange rate different from that which was previously reported is taken to the foreign currency translation reserve.

Accounting Policies

The following accounting policies which materially affect the measurement of results and financial position have been applied.

a) Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for debtors and other receivables and creditors and other payables, which are presented on a GST-inclusive basis. GST not recoverable as input tax 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.

b) Allocation of Overheads

All overhead expenses have been allocated to significant activities. A variety of methods have been used appropriate to the overhead concerned. Examples include space utilised, staff numbers, transaction numbers, estimate of time and expenditure and funds required from rates.

c) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, which are transferred to entities in the consolidated group, are classified as finance leases. Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

An operating lease is a lease that does not transfer substantially all of the risks and rewards incidental to the ownership of the asset. Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight line basis over the lease term.

d) Revenue

- Revenue is measured at the fair value of consideration received.
- General revenue is recognised at the time of invoicing, performance of service or receipt of application of service or licence, and by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.
- Rating income is recognised when assessments are issued or penalties incurred.
- Levies are recognised when assessments are issued.
- Government grants are recognised when eligibility has been established by the granting agency.
- Interest earned is recognised on an accrual basis using the effective interest rate method.
- Dividends are recognised when received or accrued if the record date is 30 June 2014 or prior.



Statement of Accounting Policies

- Vested assets are recognised at fair value on the vesting of the assets.
- Financial contributions (other than those in policy (aa) Development Contributions) are recognised when the service is provided.
- Water billing revenue is recognised on an accrual basis. Unbilled sales, as a result of unread meters at year end, are accrued on an average usage basis.
- New Zealand Transport Agency roading subsidies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.
- Traffic and parking infringements are recognised when the infringement is issued.
- Revenue from the sale of goods is recognised when a product is sold to the customer.

e) Financial Assets

NPDC classifies its financial assets into the following four categories:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Held-to-maturity investments; and
- Available for sale.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

The four categories of financial assets are:

- Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of inclusion in the NPDC's Perpetual Investment Fund or if so designated by management. Assets in this category are classified as non-current assets as there is no plan to dispose of them within 12 months of the balance sheet date unless market conditions make it profitable, or prudent, to do so.

After initial recognition they are measured at their fair values. Gains or losses on remeasurement are recognised in the Statement of Comprehensive Income.

Financial assets in this category include quoted shares, bonds, private equity funds and share options.

The Perpetual Investment Fund has been independently valued by Trustee Executors Limited.

Tasman Farms Limited is valued on a market basis. The valuation is based on independent valuations at the balance date by third party valuers of all significant assets (land and buildings and livestock) to determine the market value.

- 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, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit.

Statement of Accounting Policies



- Held to maturity investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that NPDC has the positive intention and ability to hold to maturity.

After initial recognition they are measured at historic cost. Gains and losses when the asset is impaired or de-recognised are recognised in the Statement of Comprehensive Income.

Investments in this category include local authority stock and interest bearing bonds.

- Available for sale

Financial assets available for sale 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 the share investment within 12 months of the balance date or if the debt instrument is not expected to be realised within 12 months of the balance date. The Council and group includes in this category:

- Investments that it intends to hold long-term but which may be realised before maturity; and
- Shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive income, except for impairment losses, which are recognised in the surplus or deficit. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

f) Impairment of Financial Assets

The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in the statement of comprehensive income.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.



Statement of Accounting Policies

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to, and must be settled by, delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the statement of comprehensive income. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

g) Financial Instruments

Revenue and expenditure in relation to all financial instruments are recognised in the Statement of Comprehensive Income. All financial instruments are recognised in the Statement of Financial Position. The Council and its subsidiaries are risk averse and seek to minimise exposure arising from its Treasury activity. Except for those items covered by a separate accounting policy, all financial instruments are shown at their fair value.

h) Inventory

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (using the First-In First-Out (FIFO) method), adjusted, when applicable, for any loss of service potential. Where inventory is acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

Inventory held for use in the production of goods and services on a commercial basis is valued at the lower cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

i) Trade and Other Receivables

Accounts receivable are valued at expected fair value. All known bad debts have been written off during the period under review. As there are statutory remedies to recover unpaid rates, penalties and water meter charges, no provision has been made for impairment in respect of rates receivables. Provision has been made in respect of all other receivables where there is objective evidence that the Council will not be able to collect the amount in terms of the original terms of the receivables.

j) Properties Intended for Sale

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

Statement of Accounting Policies



k) Property, Plant and Equipment (PPE)

Property, Plant and Equipment are included at their valuation as at the date of the revaluation. All PPE were valued by Council staff except where specifically identified. Independent reviews were carried out to confirm that the methodology used is in accordance with NZ IAS 16, and conforms to accepted valuation methods.

All PPE (other than operational plant, vehicles, work-in-progress, furniture and fittings which are not re-valued) are re-valued at fair value by reference to their depreciated replacement cost or market value on a class basis at least every three years. The carrying value of revalued assets are reviewed at each balance date to ensure they are not materially different to fair value. Any surplus arising on revaluation is credited to a revaluation reserve for that class. Any deficit is charged against the revaluation reserve, or if not available, expensed in the Statement of Comprehensive Income.

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 income.

- Infrastructural assets are fixed utility systems providing continuing service to the community, e.g. roads, water or sewerage systems. The infrastructural assets are valued at depreciated replacement cost as at 30 June 2013 and will be revalued on the same basis three yearly thereafter. Additions in the intervening years are included at cost.

The valuation of the Council's pool assets was undertaken by Marvin Clough (MPINZ, AAPI) from Beca.

The valuation of the Council's water and wastewater assets was undertaken by Roger Khoo (MPINZ, AAPI) from Beca.

The valuation of parks structures was undertaken by Nick Moon (HNC (UK) Plant Engineering and NZCE Power and Plant) from Spiire.

All other parks assets and roading assets were revalued by Council staff.

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	80% of average value
Formed roads (urban)	70% of average value
Formed roads (rural)	50% of average value

The peer review of the valuation undertaken by NPDC was undertaken by Robert Berghuis (APINZ) from Beca.

- Operational assets are tangible assets that are used as part of the normal operations of the Council.
- Plant, vehicles, furniture and fittings were re-valued as at 30 June 1999 at fair value. The Council has, in terms of NZ IAS 16, ceased to revalue these assets for cost-benefit reasons. Additions to these assets since 30 June 1999 are disclosed at depreciated cost.
- Land and buildings have been valued at fair value as at 30 June 2013 by Ian Baker (FNZIV, FPINZ) Registered Valuer from Telfer Young Ltd and will be revalued on the same basis three yearly thereafter by a registered valuer.
- Restricted assets are assets which cannot be disposed of due to legal or other restrictions and that provide a benefit or service to the community.



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- The Govett-Brewster Art Gallery collection has been valued at fair value as at 30 June 2014 by Brian Wood from Webb's and will be valued by suitably qualified experts on a three yearly basis thereafter.
- The Puke Ariki book and museum collections have been valued as at 30 June 2014 by Dr Robin Watt (MA (Hons) Ph.D) from R J Watt and Associates and will be valued by a suitable expert on a three yearly basis thereafter. The heritage book collection has been valued at replacement cost and the general in use collection has been valued at depreciated replacement cost.
- Restricted land has been valued at fair value as at 30 June 2013 by Ian Baker (FNZIV, FPINZ) Registered Valuer from Telfer Young Ltd and will be valued on the same basis three yearly thereafter by a registered valuer.
- Work in progress has been valued at cost less impairment and is not depreciated.
- Airport Property, Plant and Equipment have been valued at fair value as at 30 June 2013 by Ian Baker (FNZIV, FPINZ) Registered Valuer from Telfer Young Ltd and will be revalued at not more than three yearly intervals by a registered valuer.
- Venture Taranaki Trust and Group Property, Plant and Equipment are stated at cost less accumulated depreciation.
- Tasman Farms Limited: Properties included in the financial statements are carried at their fair value as a combination of assets (being the amount for which the combination of assets could be exchanged between knowledgeable willing parties in an arm's-length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings. The Directors have determined the valuation after consideration of a range of factors, including external valuations, status of land clearance approvals and relevant market transactions. The Directors' valuation is as at 31 May 2014. The prior year valuation was based on a valuation of each individual farm. The external valuations were prepared by Opteon on a farm by farm basis and CBRE Australia considered both farm by farm and portfolio valuation, of the total land, buildings and improvements, and farm by farm valuation methodologies. The portfolio valuation resulted in a higher valuation than the farm by farm valuation methodology. Rabobank Australia Limited holds a registered mortgage over the property, and a registered equitable mortgage over the assets.

l) Additions

The cost of an item of Property, Plant and Equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to NPDC and the cost of the item can be measured reliably.

In most instances, an item of Property, Plant and Equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

m) Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Income. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

n) Subsequent costs

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

Statement of Accounting Policies



o) Depreciation

- Operational Assets are depreciated on a straight-line basis on the following rates:

Buildings	1% to 5%	20 to 100 years
Plant and vehicles	5% to 33%	3 to 20 years
Furniture, fittings and equipment	10% to 33%	3 to 10 years

The Puke Ariki library heritage collection is not depreciated as it is Council policy to maintain the collection in its current state. The general in-use collection is depreciated on a straight-line basis over 2-15 years.

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

Land is not depreciated.

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

	(years)
Roads	
top surface	5-25
basecourse and first coat seals	15-80
water channel	40-80
culverts	40-80
footpaths/crossings	10-100
kerbs	40-80
signs	5-10
traffic signals	10-30
streetlights	30-40
road structures	40-100
Water	
pipes	50-120
pump stations	30-80
reservoirs	30-100
treatment plants - civil	30-100
treatment plants - mechanical	10-40
Sewerage	
pipes	50-140
manholes	60-80
treatment plants - civil	30-100
treatment plants - mechanical	10-40
pumping stations - civil	30-80
pumping stations - mechanical	10-40
outfalls	60-100
Stormwater Systems	
pipes	50-140
manholes	60-80

Statement of Accounting Policies



	(years)
Flood Control Systems	
dams	100-200
tunnels	100-200
channels	50-100
Landfill and Transfer Stations	
operating landfill sites	10-20
closed landfill sites	25-50
transfer stations	50-75
Foreshore Protection	30-100
Airport property, plant and equipment depreciated on a straight-line basis on the following rates:	
buildings	4-50
furniture and fittings	3-25
general services	5-100
runway	5-100
vehicles, plant and machinery	6-20
Venture Taranaki Trust and Group Property, Plant and Equipment are depreciated on a straight-line basis on the following rates:	
furniture and fittings	10
office equipment	3-5
motor vehicles	3
IS equipment	4-10
IS software	5

p) Intangible Assets

Research, training, maintenance and development costs are expensed.

Computer systems where capitalised are amortised over their useful lives, generally between three to eight years on a straight-line basis.

Easements are recognised at cost. They are regarded as having an indefinite useful life and are not amortised but tested annually for impairment.

Carbon credits are recorded at cost and subsequently revalued to fair value.

q) Biological Assets

Forestry is valued annually by an external forestry consultant from PF Olsen Limited, at fair value less estimated point of sale costs in accordance with NZ IAS 41. Fair value is determined by reference to market value, primarily determined by export prices. Any gains or losses on revaluation, including impairment, are taken direct to the Statement of Comprehensive Income.

Harvested logs are treated as revenue when invoiced at contracted prices. The portion of asset value harvested is charged as a cost of sale in the Statement of Comprehensive Income.

Dairy, beef and sheep livestock: In accordance with the NZ IAS 41: Agriculture, the dairy, beef and sheep livestock have been valued at market value as at 31 May 2014 less estimated costs of sale. Any movement in valuation due to biological changes or market price is recorded in profit or loss. Dairy, beef and sheep livestock will next be valued at 31 May 2015.

Statement of Accounting Policies



Fodder is stated at market value less estimated costs of sale. An independent farm consultant provided market valuations on the range of fodder conserved by the Company. The volume of all fodder is measured at least every six months and is revalued at least annually.

Consumable stores are stated at the lower of cost and net realisable value.

Wool: Where wool is sold shortly after balance date and the selling price is known, the wool stocks are recorded at market selling price less any costs of disposal otherwise it is recorded at cost.

r) Impairment of Property, Plant and Equipment and Intangibles

The carrying values of Plant and Equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of Plant and Equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time, value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs unless the asset's value in-use can be estimated to be close to its fair value. An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash generating unit is then written down to its recoverable amount through the Statement of Comprehensive Income.

s) Accounting for Revaluations

New Plymouth District Council accounts for revaluations of Property, Plant and Equipment on a class of asset basis.

The results of revaluing are credited or debited to an Asset Revaluation Reserve for that class of asset. Where this results in a debit balance in the Asset Revaluation Reserve, this balance is expensed in the Statement of Comprehensive Income. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Income will be recognised first in the Statement of Comprehensive Income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

t) Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

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 the differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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

Deferred tax is not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.



Statement of Accounting Policies

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates and interests in joint ventures except where the joint venture can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised using tax rates that have been enacted or substantively enacted by balance date.

Current and deferred tax is charged or credited to the Statement of Comprehensive Income except when it relates to items charged or credited directly to equity in which case the tax is dealt with in equity.

u) Trade and Other Payables

Loans are valued at fair value with annual adjustments through the Statement of Comprehensive Income. Payables are valued at fair value.

v) Borrowing costs

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

w) Landfill Post-closure Provision

The landfill post-closure provision is measured, based on the best estimate, at a discount rate in accordance with financial reporting standard NZ IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

The on-going annual charge to the Statement of Comprehensive Income arising from the landfill will now comprise depreciation of the landfill asset and amortisation of the post-closure liability.

x) Equity

Equity is the community's interest measured as the difference between total assets and total liabilities. Public equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses the Council makes of its accumulated surpluses:

- Restricted Reserves:
 - Trust and Bequests;
 - Special Funds.
- Council-created Reserves.
- Asset revaluation Reserves.
- Currency Fluctuation Reserve.
- Retained Earnings.

y) Reserves

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

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 third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

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Council-created reserves are reserves established by Council decision. The Council may alter them without reference to any third party or the courts. Transfers to and from these reserves are at the discretion of the Council.

z) Cash and Cash Equivalents

Cash and cash equivalents means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments, with maturities of three months and less in which the Council invests as part of its day-to-day cash management.

aa) Development Contributions

The revenue recognition point for development and financial contributions is at the later of the point where NPDC is ready to provide the service for which the contribution was levied, or the event that will give rise to a requirement for a development or financial contribution under the legislation.

ab) Budget Figures

The budget figures are those approved by the Council at the beginning of the year in the Annual Plan 2013/14. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by NPDC for the preparation of the financial statements.

Adjusted budgets are the budget figures approved by the Council at the beginning of the year in the Annual Plan 2013/14 adjusted for variations as approved by the Council.

ac) Basis of Consolidation

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

Subsidiaries

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

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The consideration transferred in an acquisition of a subsidiary reflects the fair value of the assets transferred by the acquirer and liabilities incurred by the acquirer to the former owner.

The Council will recognise goodwill where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. This difference reflects the goodwill to be recognised by the Council. If the consideration transferred is lower than the net fair value of the Council's interest in the identifiable assets acquired and liabilities assumed, the difference will be recognised immediately in the surplus or deficit.

Joint Venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations, the Council and group recognises in its financial statements the assets it controls, the liabilities and expenses it incurs and the share of income it earns from the joint venture.



Statement of Accounting Policies

ad) Critical Accounting Estimates and Assumptions

In preparing these financial statements NPDC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Leases classification: Determining whether a lease agreement is a finance or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the NPDC. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a 'finance lease' means the asset is recognised in the statement of financial position as Property, Plant and Equipment whereas for an operating lease, no such asset is recognised.

Infrastructural Assets: There are a number of assumptions and estimates used when performing Discounted Replacement Cost (DRC) valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes which are underground. This risk is minimised by the Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the assets will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, NPDC could be over-estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Income. To minimise this risk NPDC's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted to local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the NPDC's asset management planning activities, which gives NPDC further assurance over its useful life estimates.

Underlying assumptions. Beca confirms the following actions have been taken by NPDC officers and other external assessors in assessing Optimised Depreciated Replacement Cost (ODRC).

- The valuation was prepared on the understanding that the assets perform to expected service levels for the Council.
- The valuation encompasses only those assets included in the scope.
- Where the valuer has had to rely on information provided by the Council and their representatives, the valuer has endeavoured to cross check this where practicable.
- The valuation proceeded on the basis of the above assumptions. If any variance is found, Beca reserves the right to review and amend the valuation.

ae) Accounting for Joint Ventures

NPDC recognises in its District Financial Statements its share of the assets, liabilities, income and expenditure of the airport joint venture and the four forestry joint ventures based on the proportionate method for accounting for joint ventures.

Statement of Accounting Policies



af) Derivative Financial Instruments

The Council uses derivative financial instruments (interest rate swaps) to mitigate its risk associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and subsequently re-measured to fair value. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Swaps are entered into with the objective of reducing the risk of rising interest rates. Any gains or losses arising from the changes in fair value of derivatives are taken directly to profit or loss for the year. The fair value of interest rate swaps is determined by reference to market values for similar instruments.

The net differential paid or received on interest rate swaps is recognised as a component of interest expense or interest revenue over the period of the agreement. The Council does not hold or issue derivative financial instruments for trading purposes.

ag) Memorabilia (Tasman Farms Limited)

Memorabilia included in the financial statements were valued by the Directors at 31 May 2014 in accordance with the Accounting Standards based on an independent valuation by Mr R L Broughton ALIA ASA, a registered valuer of archivist material. It is not depreciated, as it is a naturally appreciating asset. Revaluation of the memorabilia will be conducted on a cyclical basis with sufficient frequency to ensure the accounting value does not materially differ from the carrying amount.

ah) Investments in Co-operative Supply Companies

Long-term investments in co-operative supply companies are carried at cost, being the fair value of consideration given. The carrying value of investments is reviewed annually by the directors to ensure it is not in excess of the recoverable amount. Movements in the fair value of investments are recognised in the surplus or deficit for the year.

ai) Development Expenditure

Development expenditure on items resulting in a future benefit to the Group is capitalised.

aj) Comparative Figures

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

ak) Interest Bearing Liabilities and Borrowing

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement. Gains or losses are recognised in the Statement of Comprehensive Income when liabilities are derecognised as well as through the amortisation process.

al) Emissions Trading Scheme - New Zealand Units (Forestry)

The Council has 257 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 19.4 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.



Statement of Accounting Policies

After initial recognition, Emission Trading Scheme credits are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

am) Provisions

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 expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

an) Critical Judgements in Applying Accounting Policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2014:

Classification of property: The Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are accounted for as Property, Plant and Equipment.

ao) Employee Entitlements

Short-term employee entitlements. Employee benefits are expected to be settled within 12 months after the end of the period in which the employee renders the related service. They are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date and annual leave earned to, but not yet taken, at balance date.

Long-term employee entitlements: Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff based on years of service; years to entitlement; the likelihood that staff will reach the point of entitlement; contractual entitlement information; and
- The present value of the estimated future cash flows.

Changes in Accounting Policies

There have been no other changes in accounting policies.

Financial Statements



Statement of Comprehensive Income for the year ended 30 June 2014

These financial statements should be read in conjunction with the notes and accounting policies

	Note	District			Consolidated	
		2013/14 Actual (\$'000)	2013/14 Budget (\$'000)	2012/13 Actual (\$'000)	2013/14 Actual (\$'000)	2012/13 Actual (\$'000)
Operating Revenue						
From Cost of Service Statement	14	51,891	43,911	48,414	51,891	48,414
Perpetual Investment Fund	26	14,351	15,260	8,708	14,351	8,708
Rates		69,641	69,030	67,524	69,641	67,524
Assets Vested in Council		2,829	3,070	3,904	2,829	3,904
Other Income		3,666	2,989	3,876	61,813	54,449
Total Operating Revenue		142,378	134,260	132,426	200,525	182,999
Operating Expenditure						
From Cost of Service Statement	14	124,039	123,943	117,535	124,039	117,535
Perpetual Investment Fund	26	2,257	-	13,313	(1,484)	(4,782)
Other Expenditure		3,299	1,867	5,552	50,490	92,883
Total Operating Expenditure		129,595	125,810	136,400	173,045	205,636
SURPLUS/(DEFICIT) BEFORE TAXATION		12,783	8,450	(3,974)	27,480	(22,637)
Taxation (Expense)/Refund	16	(3)	-	22	(3,642)	5,068
SURPLUS/(DEFICIT) AFTER TAXATION		12,780	8,450	(3,952)	23,838	(17,569)
<i>Comprising:</i>						
Parent Interest		12,780	8,450	(3,952)	22,748	(16,181)
Minority Interest in Surplus of Subsidiary		-	-	-	1,090	(1,388)
Other Comprehensive Income						
Impairment of Revalued Assets		-	-	(1,904)	-	(1,904)
Increase/(Decrease) Asset Revaluation Reserve		2,820	212,960	12,820	5,086	12,820
Revaluation Reserve - Deferred Tax Movement		-	-	(114)	-	(114)
Income Tax on Other Comprehensive Income		-	-	-	(680)	-
Foreign Currency Translation		-	-	-	(12,449)	(9,794)
Total Other Comprehensive Income		2,820	212,960	10,802	(8,043)	1,008
TOTAL COMPREHENSIVE INCOME		15,600	221,410	6,850	15,795	(16,561)
<i>Revenue and Expenditure (included in surplus/ (deficit) above):</i>						
Interest - Public Debt		6,141	8,750	6,250	10,546	11,315
Interest Received (excludes PIF, refer Note 26)		1,605	1,540	1,372	1,641	1,420
Water by Meter		3,202	3,507	3,078	3,202	3,078
Development Contributions		1,550	690	1,052	1,550	1,052
Subsidies and Grants		13,360	13,150	14,280	13,360	14,280

Explanation of major variances against budget are included in Note 20.

Financial Statements



Statement of Changes in Equity for the year ended 30 June 2014

These financial statements should be read in conjunction with the notes and accounting policies

	Note	District			Consolidated	
		2013/14 Actual (\$000)	2013/14 Budget (\$000)	2012/13 Actual (\$000)	2013/14 Actual (\$000)	2012/13 Actual (\$000)
Equity at the Start of the Period		2,115,687	2,116,840	2,108,837	2,118,048	2,134,609
Net Surplus/(Deficit)		12,780	8,450	(3,952)	23,838	(17,569)
Other Comprehensive Income		2,820	212,960	10,802	(8,043)	1,008
Total Comprehensive Income		15,600	221,410	6,850	15,795	(16,561)
Other Movements		-	-	-	-	-
EQUITY AT THE END OF THE PERIOD		2,131,287	2,338,250	2,115,687	2,133,843	2,118,048
<i>Total Comprehensive Income attributable to:</i>						
Parent Interest		15,600	221,410	6,850	16,127	(14,135)
Minority Interest in Surplus of Subsidiary		-	-	-	(332)	(2,426)

Explanation of major variances against budget are included in Note 20.

Financial Statements



Statement of Financial Position as at 30 June 2014

These financial statements should be read in conjunction with the notes and accounting policies

	Note	District			Consolidated	
		2013/14 Actual (\$000)	2013/14 Budget (\$000)	2012/13 Actual (\$000)	2013/14 Actual (\$000)	2012/13 Actual (\$000)
Current Assets						
Cash and Cash Equivalents		6,242	4,600	13,039	6,988	13,473
Trade and Other Receivables	6	12,125	8,000	12,098	20,399	18,457
Inventory	7	99	120	115	3,482	2,491
Livestock	27	-	-	-	5,778	5,661
Income Tax Receivable		-	-	-	-	-
Other Financial Assets	8	37,738	17,160	25,004	37,738	25,004
Derivative Financial Assets	15	-	-	-	-	-
Properties Intended for Sale	29	1,932	2,780	3,844	1,932	3,844
Total Current Assets		58,136	32,660	54,100	76,317	68,930
Non-Current Assets						
Other Financial Assets	8	90,802	61,520	81,111	90,823	81,496
Tasman Farms Limited		131,535	175,840	135,450	-	-
Intangible Assets	24	2,646	2,410	1,842	2,666	1,892
Biological Assets	25	3,069	3,130	3,587	3,069	3,587
Dairy Cattle	27	-	-	-	32,446	29,725
Memorabilia		-	-	-	1,576	1,733
Derivative Financial Assets	15	1,321	1,710	804	1,321	804
Deferred Tax	16	3	30	27	3	27
Property, Plant and Equipment	10	1,979,334	2,218,350	1,972,425	2,180,681	2,191,791
Total Non-Current Assets		2,208,710	2,462,990	2,195,246	2,312,585	2,311,055
TOTAL ASSETS		2,266,846	2,495,650	2,249,346	2,388,902	2,379,985

Financial Statements



	Note	District			Consolidated	
		2013/14 Actual (\$000)	2013/14 Budget (\$000)	2012/13 Actual (\$000)	2013/14 Actual (\$000)	2012/13 Actual (\$000)
Current Liabilities						
Trade and Other Payables	1	19,722	11,960	16,577	29,619	27,653
Public Debt and Other Loans (Current)	2	37,304	37,070	64,400	106,958	66,319
Derivative Financial Liabilities	15	52	20	-	52	-
Total Current Liabilities		57,078	49,050	80,977	136,629	93,972
Non-Current Liabilities						
Employee Entitlements	33	951	1,120	1,037	951	1,037
Deferred Tax Liability	16	1,197	1,130	1,218	40,588	39,865
Derivative Financial Liabilities	15	1,065	6,260	3,290	1,065	3,290
Provision for Aftercare	19	1,618	1,030	1,183	1,618	1,183
Public Debt (Term Portion)	2	73,650	98,810	45,954	74,208	122,590
Total Non-Current Liabilities		78,481	108,350	52,682	118,430	167,965
TOTAL LIABILITIES		135,559	157,400	133,659	255,059	261,937
Public Equity						
Special Funds/Reserves	3	80,297	56,430	77,364	80,587	77,423
Retained Earnings	4	1,452,783	1,482,440	1,442,936	1,382,776	1,362,230
Minority Interest		-	-	-	1,940	1,984
Currency Fluctuation Reserve		-	-	-	(14,406)	(10,417)
Asset Revaluation Reserve	5	598,207	799,380	595,387	682,946	686,828
Total Public Equity		2,131,287	2,338,250	2,115,687	2,133,843	2,118,048
TOTAL EQUITY AND LIABILITIES		2,266,846	2,495,650	2,249,346	2,388,902	2,379,985

Explanation of major variances against budget are included in Note 20.

Financial Statements



Statement of Cash Flows for the year ended 30 June 2014

These financial statements should be read in conjunction with the notes and accounting policies

	Note	District		Consolidated		
		2013/14 Actual (\$000)	2013/14 Budget (\$000)	2012/13 Actual (\$000)	2013/14 Actual (\$000)	2011/12 Actual (\$000)
Cash Flows from Operating Activities						
Cash was provided from:						
Rates		69,572	69,940	67,395	69,572	67,395
Interest Income		1,605	1,540	1,372	1,647	1,415
Dividends		2,102	10,360	4,659	2,102	4,737
Other Income		46,523	43,370	51,958	97,001	97,504
		119,802	125,210	125,384	170,322	171,051
Cash was applied to:						
Payments to Suppliers and Employees		89,090	92,330	87,253	131,550	136,181
Net GST		(108)	-	(873)	(174)	(793)
Payment of Income Tax		-	-	(115)	-	(115)
Interest Paid		6,708	8,750	6,397	11,503	11,180
		95,690	101,080	92,662	142,879	146,453
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	11	24,112	24,130	32,722	27,443	24,598
Cash Flows from Investing Activities						
Cash was provided from:						
Sale of Property, Plant and Equipment		4,936	2,370	5,145	4,965	7,750
Sale of Dairy Stock		-	-	-	4,730	4,826
Sale of Other Financial Assets		11,774	-	23,090	11,774	26,046
		16,710	2,370	28,235	21,469	38,622
Cash was applied to:						
Purchase of Property, Plant and Equipment		31,183	44,010	37,305	32,815	51,218
Purchase of Dairy Stock		-	-	-	3,283	4,957
Purchase of Intangible Assets		1,619	-	111	1,621	143
Purchase of Other Financial Assets		15,417	-	31,365	15,417	31,365
		48,219	44,010	68,781	53,136	87,683
NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES		(31,509)	(41,640)	(40,546)	(31,667)	(49,061)

Financial Statements



	Note	District		Consolidated		
		2013/14 Actual (\$000)	2013/14 Budget (\$000)	2012/13 Actual (\$000)	2013/14 Actual (\$000)	2012/13 Actual (\$000)
Cash Flows from Financing Activities						
Cash was provided from:						
Loans raised		65,000	12,840	51,000	135,537	67,534
Advances repaid		-	-	-	-	-
		65,000	12,840	51,000	135,537	67,534
Cash was applied to:						
Loans repaid		64,400	5,820	45,000	137,798	45,641
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		600	7,020	6,000	(2,261)	21,893
Overall increase (decrease) in cash held		(6,797)	(10,490)	(1,824)	(6,485)	(2,570)
<i>plus</i> Opening Balance		13,039	15,090	14,863	13,473	16,043
CASH BALANCE AT 30 JUNE		6,242	4,600	13,039	6,988	13,473
Summary of Cash Resources:						
Cash at bank and on hand		1,842	4,600	3,039	2,588	3,473
Term deposits with maturity less than three months		4,400	-	10,000	4,400	10,000
TOTAL CASH HELD AT 30 JUNE		6,242	4,600	13,039	6,988	13,473

Net GST. This is the amount paid to Inland Revenue less refunds in respect of Goods and Services Tax.

Explanation of major variances against budget are included in Note 20.

Financial Statements



Funding Impact Statement for the year ended 30 June 2014

The following information is required under Schedule 10, clause 15 of the Local Government Act 2002.

	Actual 2013/14 (\$m)	A/Plan 2013/14 (\$m)	Actual 2012/13 (\$m)	A/Plan 2012/13 (\$m)
Sources of Operating Funding				
General rates, uniform annual charges, rates penalties	45,320	44,920	42,334	42,130
Targeted rates (other than a targeted rate for water supply)	25,520	25,110	25,190	24,700
Subsidies and grants for operating purposes	4,900	5,550	4,850	5,210
Fees, charges, and targeted rates for water supply	26,890	24,060	26,160	24,730
Interest and dividends from investments	9,380	11,900	12,360	19,950
Local authorities fuel tax, fines, infringement fees, and other receipts	6,570	6,280	5,370	6,300
Total Operating Funding (A)	118,580	117,820	116,264	123,020
Applications of Operating Funding				
Payments to staff and suppliers	(84,110)	(87,270)	(82,270)	(87,810)
Finance costs	(8,820)	(8,750)	(8,060)	(8,830)
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	(92,930)	(96,020)	(90,330)	(96,640)
Surplus/(Deficit) of Operating Funding (A - B)	25,650	21,800	25,934	26,380
Sources of Capital Funding				
Subsidies and grants for capital expenditure	8,460	7,780	10,170	10,420
Development and financial contributions	1,550	690	1,050	670
Increase/(decrease) in debt	(9,370)	5,170	8,180	8,390
Gross proceeds from sale of assets	4,300	1,490	5,600	4,580
Lump sum contributions	-	-	-	-
Total Sources of Capital Funding (C)	4,940	15,130	25,000	24,060
Application of Capital Funding				
Capital expenditure:				
- to meet additional demand	(880)	(3,770)	(730)	(3,780)
- to improve the level of service	(14,000)	(15,090)	(16,640)	(15,890)
- to replace existing assets	(20,500)	(20,800)	(20,650)	(23,150)
Increase/(decrease) in reserves	4,790	2,730	(12,914)	(7,520)
Increase/(decrease) of investments	-	-	-	(100)
Total Applications of Capital Funding (D)	(30,590)	(36,930)	(50,934)	(50,440)
Surplus/(Deficit) of Capital Funding (C - D)	(25,650)	(21,800)	(25,934)	(26,380)
FUNDING BALANCE ((A - B) + (C - D))	-	-	-	-
Annual Plan variations compared to the Council's Long-Term Plan 2012-2022 for 2012/13 only are explained on the Group Funding Impact Statements.				
Other Information to be Provided - Clause 4(4), Local Government (Financial Reporting) Regulations 2011				
Depreciation and Amortisation Expense				
Depreciation expense	29,804	29,810	26,812	29,050
less deferred/unfunded	(12,730)	(12,590)	(10,080)	(10,300)
NET FUNDING TRANSFERRED TO RENEWALS RESERVES	17,074	17,220	16,732	18,750

Financial Statements



Funding Impact Statement	Actual 2013/14 (\$m)
Reconciliation to Surplus/(Deficit) before Taxation	
Surplus/(deficit) of operating funding (A - B)	25,650
Subsidies and grants for capital expenditure	8,460
Development and financial contributions	1,550
Net Forestry/Airport	(28)
Change in accruals	(800)
Vested assets	2,829
Net Perpetual Investment Fund Movement	5,534
Loss on disposal of assets	(611)
Depreciation	(29,804)
Surplus/(Deficit) before taxation	12,780

Statement of Commitments as at 30 June 2014

These financial statements should be read in conjunction with the notes and accounting policies

	District		Consolidated	
	2013/14 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2012/13 (\$000)
Capital commitments approved and contracted				
Property, Plant and Equipment:				
- within one year	10,571	10,671	10,571	10,671
- later than one year and not later than five years	45	5,244	45	5,244
- later than five years	-	-	-	-
	10,616	15,915	10,616	15,915
Operating commitments approved and contracted				
General Operating and Maintenance Contracts:				
- within one year	10,372	8,523	10,372	8,523
- later than one year and not later than five years	6,221	10,290	6,221	10,290
	16,593	18,813	16,593	18,813
Non-cancellable operating lease commitments as lessee				
The Council and Group leases some equipment such as phone systems, eftpos machines and photocopiers. The future aggregate minimum lease payment payable under non-cancellable operating leases are as follows:				
- within one year	24	23	227	232
- later than one year and not later than five years	33	33	481	630
- later than five years	-	-	154	98
	57	56	862	960
Non-cancellable finance commitments as lessee				
Tasman Farms Limited have finance leases with commitments as follows:				
- within one year	-	-	653	804
- later than one year and not later than five years	-	-	599	897
- less future finance charges	-	-	(99)	(206)
	-	-	1,153	1,495
Community Funding Grants approved but not paid out				
Other	340	469	340	469
TOTAL COMMITMENTS	27,606	35,253	29,564	37,652
Loans to sport and other bodies guaranteed by the Council	12	14	12	14

Financial Statements



Perpetual Investment Fund

The Council, through its Perpetual Investment Fund, has commitments to subscribe to a number of private equity funds. At balance date NZ \$9.4m of this commitment has yet to be called up.

Statement of Contingent Liabilities as at 30 June 2014

These financial statements should be read in conjunction with the notes and accounting policies.

Emissions Trading Scheme (ETS)

The Council has 257 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 19.4 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.

Weathertightness

The Council is subject to three claims relating to weathertightness of buildings. These were lodged under the Weathertight Home Resolution Service (and subject to the Financial Assistance Package Scheme with the Department of Building and Housing). The potential quantum of the Council's share of these claims is estimated at \$130,000.

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

Local Government Funding Agency

New Plymouth District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has a local currency rating from Fitch Ratings and Standard and Poor's of AA+ and a foreign currency rating of AA.

New Plymouth District Council is one of 30 local authority shareholders and 10 local authority guarantors of the NZLGFA (in that regard it has uncalled capital of \$100,000). When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, New Plymouth District Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2014, NZLGFA had borrowings totalling \$3,728m (2013: \$2,475m).

Financial reporting standards require New Plymouth District 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 NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.



RiskPool

New Plymouth District Council is a member of Riskpool, a mutual liability fund which provides public liability and professional indemnity cover for its exclusively local authority members throughout New Zealand. Riskpool's Deed of Trust provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in a particular Fund Year, then the Board may make a call on members of that Fund Year for additional funds. While calls have been made historically, largely due to the unexpected severity of the leaky building syndrome, due to Riskpool's policy of ground up reinsurance the chance of future calls is abating. As each year passes and statute of limitation periods expire, the risk of further calls decreases. In November 2013 Riskpool announced that there will be no call during the 2014-2015 financial year. The Council also understands it is the Riskpool Board's intention that should a call for prior Fund Years be required, adequate forewarning will be provided such that Council can properly allow for it in their accounts.

In 2012 the Supreme Court judgment of Spencer on Byron extended councils duty of care to non-residential buildings. While Riskpool continues to monitor claims turnout as a result of this decision, there has not yet been a noticeable increase in commercial claims against the Council.

In June 2014 the Supreme Court determined that the eligibility cut-off date for claims in the Weathertight Homes Tribunal is 10 years from the date the home was issued with a code compliance certificate. This decision may mean that previously ineligible claims are able to be pursued, which could affect Council liability. However, the Ministry for Business Innovation and Employment estimates that as few as 20 claims throughout the country will be affected by this decision. To the best of our knowledge no claims have yet arisen from this decision.

Statement of Contingent Assets as at 30 June 2014

Emission Trading Scheme (ETS) - New Zealand Units

Subject to there being no change in legislation, the Council presently holds 15,420 New Zealand Units from its pre-1990 forest holdings. The value at 30 June 2014 per unit is approximately \$4.02.

Notes to the Financial Statements



Note 1: Trade and Other Payables

	District		Consolidated	
	2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
Trade Creditors	10,383	7,743	19,905	18,470
Miscellaneous Accounts and Deposits	1,756	1,533	1,756	1,533
Public Debt Interest	663	1,230	663	1,230
Accrued Wages and Holiday Pay	2,893	2,823	3,536	3,337
Contract Retentions	1,300	1,327	1,300	1,327
Income in Advance	2,078	1,375	2,078	1,375
Crown Interests in Airport	381	381	381	381
Taranaki Investment Management Limited	268	165	-	-
Total Trade and Other Payables	19,722	16,577	29,619	27,653

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.

Note 2: Public Debt and Other Loans

	District		Consolidated	
	2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
Current:				
Public Debt and Other Loans (Current)	37,304	64,400	37,304	64,400
Revolving Credit Facility - Tasman Farms Limited	-	-	69,060	1,205
Equipment Finance Loans - Tasman Farms Limited	-	-	594	714
	37,304	64,400	106,958	66,319
Non-Current Public Debt:				
Public Debt and Other Loans (Non-Current)	73,650	45,954	73,650	45,954
Revolving Credit Facility - Tasman Farms Limited	-	-	-	75,799
Equipment Finance Loans - Tasman Farms Limited	-	-	558	837
	73,650	45,954	74,208	122,590
Total Public Debt and Other Loans	110,954	110,354	181,166	188,909
Debenture Stock	64,954	89,354		
Local Government Funding Authority Borrowings	46,000	21,000		
	110,954	110,354		

Interest rates range from 3.36% to 7.02% - weighted average rate of 5.74%.

Security is in form of a Debenture over the district's rates. Refer to Note 31.

The revolving credit facility - Tasman Farms Limited (Rabobank loan) is secured by a registered charge over the property and a registered equitable mortgage over the assets of Tasman Farms Limited. In addition, the liabilities are secured by a cross guarantee, a registered charge over the property, and a registered equitable mortgage over the assets of subsidiary Tasman Farmdale Pty Limited.

The revolving credit facility - Tasman Farms Limited (Rabobank loan) has been classified as a current liability as the company debt facilities were subject to annual review within 12 months of 31 May 2014 whereby the company did not have an unconditional right to defer repayment of the facility for a period of more than one

Notes to the Financial Statements



year from the balance sheet date. Subsequent to 31 May 2014 the company completed the annual review with the bank and the debt facilities were confirmed in writing on 25 September 2014. The facility expires on 30 November 2016 and the next review date is 30 November 2015.

Note 3: Special Funds/Reserves Movement

	District		Consolidated	
	Actual	Actual	Actual	Actual
	2013/14	2012/13	2013/14	2012/13
	\$000	\$000	\$000	\$000
Opening Balances	77,364	58,636	77,423	58,636
Deposits to Reserves	31,828	36,869	32,059	36,928
Withdrawals from Reserves	(28,895)	(18,141)	(28,895)	(18,141)
Closing Balances	80,297	77,364	80,587	77,423

- Operating Reserve Funds:** These are set aside to fund short-term operational matters, such as some loan repayments, or to hold short-term surpluses arising from Water Supply and Wastewater Treatment operations and some internal services. They are either applied in that year or the next financial year.

	District		Consolidated	
	Actual	Actual	Actual	Actual
	2013/14	2012/13	2013/14	2012/13
	\$000	\$000	\$000	\$000
Opening Balances	10,408	8,147	10,408	8,147
Deposits to Reserves	3,109	2,689	3,109	2,689
Withdrawals from Reserves	(5,707)	(428)	(5,707)	(428)
Closing Balances	7,810	10,408	7,810	10,408

- Smoothing Reserve Funds:** These fund significant costs incurred generally every three years. An annual charge is made to operations so as 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.

	District		Consolidated	
	Actual	Actual	Actual	Actual
	2013/14	2012/13	2013/14	2012/13
	\$000	\$000	\$000	\$000
Opening Balances	1,237	1,162	1,237	1,162
Deposits to Reserves	594	242	594	242
Withdrawals from Reserves	(153)	(167)	(153)	(167)
Closing Balances	1,678	1,237	1,678	1,237

Notes to the Financial Statements



3. **Restricted Reserves, Trust and Bequest Funds:** These are funds subject to specific conditions accepted as binding by the Council, such as bequests or operations in trust under specific Acts, and which may not be revised by the Council without reference to the courts or third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. These include the Waitara Harbour Trust, heritage funds, proceeds from sale of Junction Road leases, Ngamotu Masonic Lodge Bursary Fund and certain bequest funds: Monica Brewster, Molly Morpeth Canaday and J T Gibson. These funds are applied to infrastructural asset activities, Puke Ariki and Govett-Brewster Art Gallery.

	District		Consolidated	
	Actual	Actual	Actual	Actual
	2013/14	2012/13	2013/14	2012/13
	\$000	\$000	\$000	\$000
Opening Balances	9,982	4,890	10,041	4,890
Deposits to Reserves	1,176	5,315	1,407	5,374
Withdrawals from Reserves	(751)	(223)	(751)	(223)
Closing Balances	10,407	9,982	10,697	10,041

4. **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 Management, Stormwater Drainage, Flood Protection and Control Works and Parks, and cultural services of Recreation and Events, Puke Ariki and Govett-Brewster Art Gallery. These reserves also include the Solid Waste Development Fund which was set up for capital, renewal and emergency maintenance works associated with the district's solid waste disposal systems and the Len Lye Development Fund.

	District		Consolidated	
	Actual	Actual	Actual	Actual
	2013/14	2012/13	2013/14	2012/13
	\$000	\$000	\$000	\$000
Opening Balances	19,249	11,231	19,249	11,231
Deposits to Reserves	8,296	8,959	8,296	8,959
Withdrawals from Reserves	(6,409)	(941)	(6,409)	(941)
Closing Balances	21,136	19,249	21,136	19,249

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

	District		Consolidated	
	Actual	Actual	Actual	Actual
	2013/14	2012/13	2013/14	2012/13
	\$000	\$000	\$000	\$000
Opening Balances	36,488	33,206	36,488	33,206
Deposits to Reserves	18,653	19,664	18,653	19,664
Withdrawals from Reserves	(15,875)	(16,382)	(15,875)	(16,382)
Closing Balances	39,266	36,488	39,266	36,488

Notes to the Financial Statements



Note 4: Retained Earnings

	District		Consolidated	
	2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
Opening Balance at 1 July	1,442,936	1,467,520	1,362,230	1,392,111
Total Comprehensive Income	15,600	6,850	15,795	(16,561)
(Increase)/Decrease in Special Funds/Reserves	(2,933)	(18,728)	(3,164)	(18,787)
(Increase)/Decrease in Asset Revaluation Reserves	(2,820)	(12,706)	3,882	(11,394)
(Increase)/Decrease in Currency Fluctuation Reserve	-	-	3,989	16,585
(Increase)/Decrease in Minority Interests	-	-	44	276
Closing Balance at 30 June	1,452,783	1,442,936	1,382,776	1,362,230

Note 5: Asset Revaluation Reserve

	District		Consolidated	
	2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
Operational Land				
Opening Balance at 1 July	30,798	31,516	30,798	31,516
Revaluation (Impairment)	-	(718)	-	(718)
Closing Balance at 30 June	30,798	30,798	30,798	30,798
Operational Buildings				
Opening Balance at 1 July	29,704	26,364	29,704	33,975
Revaluation (Impairment)	-	3,340	-	3,340
Disposed Assets	-	-	-	(7,611)
Closing Balance at 30 June	29,704	29,704	29,704	29,704
Operational Library				
Opening Balance at 1 July	6	6	6	6
Revaluation (Impairment)	-	-	-	-
Closing Balance at 30 June	6	6	6	6
Restricted Land				
Opening Balance at 1 July	55,309	52,083	55,309	52,083
Revaluation (Impairment)	-	3,226	-	3,226
Closing Balance at 30 June	55,309	55,309	55,309	55,309
Restricted Art/Museum				
Opening Balance at 1 July	2,270	2,270	2,270	2,270
Revaluation (Impairment)	(234)	-	(234)	-
Closing Balance at 30 June	2,036	2,270	2,036	2,270
Infrastructure				
Opening Balance at 1 July	477,300	470,442	477,300	470,442
Revaluation (Impairment)	3,054	6,858	3,054	6,858
Closing Balance at 30 June	480,354	477,300	480,354	477,300

Notes to the Financial Statements



	District		Consolidated	
	2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
Tasman Farms Limited - Asset Revaluation Reserve				
Opening Balance at 1 July	-	-	91,441	85,142
Revaluation (Impairment)	-	-	1,561	-
Disposed Assets			-	(865)
Foreign Currency Translation			(8,263)	6,905
Deferred Tax Liability	-	-	-	259
Closing Balance at 30 June	-	-	84,739	91,441
Asset Revaluation Reserve Closing Balance at 30 June	598,207	595,387	682,946	686,828

Note 6: Trade and Other Receivables

	District		Consolidated	
	2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
Trade Receivables	10,261	10,345	10,340	11,376
Prepayments	-	16	-	16
Rates	1,544	1,475	1,544	1,475
Accrual - Investment Interest/Dividends	428	291	428	291
Taranaki Investment Management Limited	-	79	-	-
Other Receivables - Tasman Farms Limited	-	-	8,229	5,443
	12,233	12,206	20,541	18,601
<i>less</i> Impairment of Receivables	(108)	(108)	(142)	(144)
Total Trade and Other Receivables	12,125	12,098	20,399	18,457

Fair value

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

Impairment

The Council does not provide for any impairment on rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgement then the Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit. Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place debts are discounted to their present value of future payments if the effect of discounting is material.

Notes to the Financial Statements



Note 7: Inventories

	District		Consolidated	
	2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
General Stores - Community Assets	80	80	130	135
Visitor Information Retail Stock	19	35	19	35
Wool (Tasman Farms Limited)	-	-	-	-
Fodder on Hand	-	-	3,333	2,321
Total Inventories	99	115	3,482	2,491

No inventories have been pledged as security.

Note 8: Other Financial Assets

	District		Consolidated	
	2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
Current				
Mortgages/Other Loans	68	68	68	68
Term Deposits	37,670	24,936	37,670	24,936
Total Current Assets	37,738	25,004	37,738	25,004
Non-Current				
Mortgages/Other Loans	889	559	889	559
Other Shareholdings/Bonds/Term Deposits	2,190	2,210	2,190	2,210
New Plymouth Airport Joint Venture	1,292	1,360	1,292	1,360
Bonds, Shares and Other Investments (PIF)	217,966	212,432	86,452	77,367
Total Non-Current Assets	222,337	216,561	90,823	81,496
<i>less</i> Tasman Farms Limited	(131,535)	(135,450)	-	-
Other Financial Assets	90,802	81,111	90,823	81,496

Interest Rates

The weighted average effective interest rates on investments (current and non-current) were:

Short-term Deposits	4.18%	3.95%
Bonds and Other Investments	5.79%	5.92%
Local Authority Stock	8.25%	8.25%

Note 9: Shareholding - Tasman Farms Limited

	30 June 2014	30 June 2013
New Plymouth District Council	85,826,440	85,826,440
Tasman Farms Limited shares on issue at date	85,826,440	85,826,440
Percentage of shareholding	100%	100%
Value of shareholding	\$131,534,593	\$135,448,896

Tasman Farms Limited has a balance date of 31 May 2014 in line with the farming cycle. In terms of NZ IAS 27, consolidation procedures have taken into account any significant transactions or events that have occurred between the reporting date of the subsidiary and the parent's reporting date.

Notes to the Financial Statements



<i>Note 10: Property, Plant and Equipment</i>	Cost/ Revaluation 1 July 2013 \$000	Accumulated Depreciation and Impairment Charges \$000	Carrying Amount 1 July 2013 \$000	Current Year Additions \$000	Current Year Vested \$000
DISTRICT 2013/14					
Operational Assets:					
- Land	70,130	-	70,130	3,275	
- Buildings/Improvements	175,990	-	175,990	4,191	1
- Plant and Machinery	4,842	1,539	3,303	512	
- Furniture, Fittings and Equipment	18,065	12,195	5,870	562	-
- Puke Ariki Book Collection	5,814	722	5,092	630	9
Restricted Assets:					
- Land	175,558	-	175,558	(1,894)	685
- Puke Ariki Museum Collection	26,555	-	26,555	43	-
- Govett-Brewster Collection	13,197	-	13,197	11	-
Infrastructural Assets:					
- Roading	1,037,367	-	1,037,367	14,733	1,480
- Laboratory	104	-	104	12	-
- Solid Waste	7,573	-	7,573	115	-
- Stormwater	114,454	-	114,454	400	333
- Water Treatment	44,663	-	44,663	60	-
- Water Reticulation	74,992	-	74,992	1,033	191
- Sewerage Treatment	74,983	-	74,983	12,249	-
- Sewerage Reticulation	104,718	-	104,718	7,532	129
- Work in Progress	31,770	-	31,770	-	-
- New Plymouth Airport Runway/Services	6,106	-	6,106	19	-
Total District	1,986,881	14,456	1,972,425	43,483	2,828
CONSOLIDATED 2013/14					
Operational Assets:					
- Land	70,130	-	70,130	3,275	
- Buildings/Improvements	176,120	59	176,061	4,191	1
- Plant and Machinery	4,976	1,573	3,403	512	
- Furniture, Fittings and Equipment	18,398	12,394	6,004	594	-
- Puke Ariki Book Collection	5,814	722	5,092	630	9
- Tasman Farms Limited	227,452	8,391	219,061	1,576	
Restricted Assets:					
- Land	175,558	-	175,558	(1,894)	685
- Puke Ariki Museum Collection	26,555	-	26,555	43	-
- Govett-Brewster Collection	13,197	-	13,197	11	-
Infrastructural Assets:					
- Roading	1,037,367	-	1,037,367	14,733	1,480
- Laboratory	104	-	104	12	-
- Solid Waste	7,573	-	7,573	115	-
- Stormwater	114,454	-	114,454	400	333
- Water Treatment	44,663	-	44,663	60	-
- Water Reticulation	74,992	-	74,992	1,033	191
- Sewerage Treatment	74,983	-	74,983	12,249	-
- Sewerage Reticulation	104,718	-	104,718	7,532	129
- Work In Progress	31,770	-	31,770	-	-
- New Plymouth Airport Runway/Services	6,106	-	6,106	19	-
Total Consolidated	2,214,930	23,139	2,191,791	45,091	2,828

Notes to the Financial Statements



Current Year Disposals \$000	Current Year Depreciation \$000	Depreciation Adjustment \$000	Impairment	Revaluation 30 June 2014 \$000)	Cost/ Revaluation 30 June 2014 \$000	Accumulated Depreciation and Impairment Charges \$000	Carrying Amount 30 June 2014 \$000
1,190	-	-	-	-	72,215	-	72,215
924	5,692	-	-	-	179,258	5,692	173,566
635	555	339	-	-	4,720	1,756	2,964
1,927	1,694	1,874	-	-	16,700	12,015	4,685
179	280	1,002	-	(1,173)	5,101	-	5,101
-	-	-	-	-	174,349	-	174,349
-	-	-	-	75	26,673	-	26,673
-	-	-	-	(180)	13,028	-	13,028
-	10,319	-	-	-	1,053,580	10,319	1,043,261
-	21	-	-	-	116	21	95
2	166	-	-	-	7,686	166	7,520
28	1,758	-	-	-	115,159	1,758	113,401
-	2,006	-	-	-	44,723	2,006	42,717
10	1,835	-	-	-	76,206	1,835	74,371
-	3,166	-	-	-	87,232	3,166	84,066
148	2,044	-	-	-	112,231	2,044	110,187
6,492	-	-	-	-	25,278	-	25,278
-	268	-	-	-	6,125	268	5,857
11,535	29,804	3,215	-	(1,278)	2,020,380	41,046	1,979,334
1,190	-	-	-	-	72,215	-	72,215
924	5,702	-	-	-	179,388	5,761	173,627
635	582	339	-	-	4,853	1,816	3,037
1,968	1,736	1,911	-	-	17,024	12,219	4,805
179	280	1,002	-	(1,173)	5,101	-	5,101
6	1,911	-	-	(17,627)	211,395	10,302	201,093
-	-	-	-	-	174,349	-	174,349
-	-	-	-	75	26,673	-	26,673
-	-	-	-	(180)	13,028	-	13,028
-	10,319	-	-	-	1,053,580	10,319	1,043,261
-	21	-	-	-	116	21	95
2	166	-	-	-	7,686	166	7,520
28	1,758	-	-	-	115,159	1,758	113,401
-	2,006	-	-	-	44,723	2,006	42,717
10	1,835	-	-	-	76,206	1,835	74,371
-	3,166	-	-	-	87,232	3,166	84,066
148	2,044	-	-	-	112,231	2,044	110,187
6,492	-	-	-	-	25,278	-	25,278
-	268	-	-	-	6,125	268	5,857
11,582	31,794	3,252	-	(18,905)	2,232,362	51,681	2,180,681

Notes to the Financial Statements



<i>Note 10: Property, Plant and Equipment</i>	Cost/ Revaluation 1 July 2012 \$000	Accumulated Depreciation and Impairment Charges \$000	Carrying Amount 1 July 2012 \$000	Current Year Additions \$000
DISTRICT 2012/13				
Operational Assets:				
- Land	75,597	-	75,597	(169)
- Buildings/Improvements	185,078	5,690	179,388	4,304
- Plant and Machinery	4,554	1,564	2,990	1,293
- Furniture, Fittings and Equipment	14,432	10,758	3,674	3,821
- Puke Ariki Book Collection	6,263	497	5,766	624
- Work In Progress	2,381	-	2,381	(1,798)
Restricted Assets:				
- Land	171,145	-	171,145	1,187
- Puke Ariki Museum Collection	26,555	-	26,555	-
- Govett-Brewster Collection	13,131	-	13,131	66
Infrastructural Assets:				
- Roading	1,049,040	9,958	1,039,082	12,965
- Laboratory	305	32	273	18
- Solid Waste	7,007	161	6,846	729
- Stormwater	99,856	1,442	98,414	1,281
- Water	132,759	2,910	129,849	1,184
- Sewerage	181,138	3,944	177,194	3,497
- Work in Progress	18,904	-	18,904	12,283
- New Plymouth Airport Runway/Services	5,954	185	5,769	232
Total District	1,994,099	37,141	1,956,958	41,517
CONSOLIDATED 2012/13				
Operational Assets:				
- Land	77,497	-	77,497	(169)
- Buildings/Improvements	205,304	6,341	198,963	4,303
- Plant and Machinery	4,705	1,637	3,068	1,343
- Furniture, Fittings and Equipment	15,013	11,250	3,763	3,913
- Puke Ariki Book Collection	6,263	497	5,766	624
- Tasman Farms Limited	228,920	6,563	222,357	13,772
- Work in Progress	2,381	-	2,381	(1,798)
Restricted Assets:				
- Land	171,145	-	171,145	1,187
- Puke Ariki Museum Collection	26,555	-	26,555	-
- Govett-Brewster Collection	13,131	-	13,131	66
Infrastructural Assets:				
- Roading	1,049,040	9,958	1,039,082	12,965
- Laboratory	305	32	273	18
- Solid Waste	7,007	161	6,846	729
- Stormwater	99,856	1,442	98,414	1,281
- Water	132,759	2,910	129,849	1,184
- Sewerage	181,138	3,944	177,194	3,497
- Work In Progress	18,904	-	18,904	12,283
- New Plymouth Airport Runway/Services	5,954	185	5,769	232
Total Consolidated	2,245,877	44,920	2,200,957	55,430

Notes to the Financial Statements



Current Year Disposals \$000	Current Year Depreciation \$000	Depreciation Adjustment \$000	Impairment	Revaluation 30 June 2013 \$000)	Cost/ Revaluation 30 June 2013 \$000	Accumulated Depreciation and Impairment Charges \$000	Carrying Amount 30 June 2013 \$000
4,580	-	-	-	(718)	70,130	-	70,130
3,760	5,367	-	1,904	3,329	175,990	-	175,990
1,005	567	592	-	-	4,842	1,539	3,303
187	1,610	173	-	(1)	18,065	12,195	5,870
1,075	223	-	-	-	5,814	722	5,092
-	-	-	-	-	583	-	583
-	-	-	-	3,226	175,558	-	175,558
-	-	-	-	-	26,555	-	26,555
-	-	-	-	-	13,197	-	13,197
5	10,041	-	-	(4,634)	1,037,367	-	1,037,367
-	32	-	-	(155)	104	-	104
-	160	-	-	158	7,573	-	7,573
21	1,446	-	-	16,226	114,454	-	114,454
113	2,995	-	-	(8,270)	119,655	-	119,655
173	4,104	-	-	3,287	179,701	-	179,701
-	-	-	-	-	31,187	-	31,187
-	267	-	-	372	6,106	-	6,106
10,919	26,812	765	1,904	12,820	1,986,881	14,456	1,972,425
6,480	-	-	-	(718)	70,130	-	70,130
23,854	5,379	603	1,904	3,329	176,120	59	176,061
1,072	593	657	-	-	4,976	1,573	3,403
236	1,652	217	-	(1)	18,398	12,394	6,004
1,075	223	-	-	-	5,814	722	5,092
159	1,828	-	-	(15,081)	227,452	8,391	219,061
-	-	-	-	-	583	-	583
-	-	-	-	3,226	175,558	-	175,558
-	-	-	-	-	26,555	-	26,555
-	-	-	-	-	13,197	-	13,197
5	10,041	-	-	(4,634)	1,037,367	-	1,037,367
-	32	-	-	(155)	104	-	104
-	160	-	-	158	7,573	-	7,573
21	1,446	-	-	16,226	114,454	-	114,454
113	2,995	-	-	(8,270)	119,655	-	119,655
173	4,104	-	-	3,287	179,701	-	179,701
-	-	-	-	-	31,187	-	31,187
-	267	-	-	372	6,106	-	6,106
33,188	28,720	1,477	1,904	(2,261)	2,214,930	23,139	2,191,791

Notes to the Financial Statements



Note 10 continued

Asset Management Plans have been adopted by the Council in respect of each of its infrastructure networks. These plans specify the level of service required, the current physical extent, condition and capacity of the network and the timing, extent and cost of work required to maintain and restore the network's defined operating capacity in future years. No Property, Plant and Equipment has been pledged as security.

Valuation assumptions - refer to Statement of Accounting Policies (ad).

The most recent estimate of the replacement cost of infrastructural assets as at the latest valuation 30 June 2014 is:

	\$000
Wastewater Treatment	147,684
Wastewater Reticulation	193,613
Water Treatment	77,460
Water Reticulation	139,066
Stormwater	166,202
Roading Network	1,288,676

Note 11: Statement of Cash Flows Reconciliation

	District		Consolidated	
	2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
Surplus (Deficit) after Taxation	12,780	(3,952)	23,838	(17,569)
<i>Non-Cash Items:</i>				
Depreciation	29,804	26,812	31,794	28,720
Assets Vested in the Council	(2,829)	(3,904)	(2,829)	(3,904)
Net Fair Value on Derivative (Tasman Farms Limited)	-	-	(332)	264
Movement in Deferred Taxation	3	93	747	(7,813)
	26,978	23,001	29,380	17,267
<i>Add/(Less) Move in Other Working Capital Items:</i>				
Change in Accounts Receivable	(27)	141	(2,969)	760
Change in Accounts Payable	3,568	377	7,883	(3,387)
Change in Inventory	16	-	(991)	151
Change in Dividend Receivable	-	-	-	-
Change in Accruals	-	(964)	950	(1,730)
Change in Livestock (Tasman Farms Limited)	-	-	(7,826)	3,210
Taxation	-	-	(3,642)	(5,068)
<i>Other:</i>				
Movement in Employee Entitlements (non-current)	(86)	(80)	(86)	(89)
Loss (Gain) on Sales included in Investing Activities	(19,117)	14,199	(19,094)	31,053
	(15,646)	13,673	(25,775)	24,900
Net Cash Flow from Operating Activities	24,112	32,722	27,443	24,598

Notes to the Financial Statements



Note 12: Remuneration (as per Schedule 10, Part 3, Sections 18 and 32a of the Local Government Act 2002)

The Chief Executive of NPDC received a gross salary of \$338,760 (2012/13 - \$331,610). In terms of the contract the Chief Executive also received a motor vehicle benefit of \$14,499 (2012/13 - \$14,045).

For the year ended 30 June 2014 the total annual cost, including fringe benefit tax, to NPDC of the remuneration package being received by the Chief Executive is calculated at \$353,259 (2012/13 - \$345,655).

The other four key management personnel are listed in Section 5 (Management Structure).

Total benefits received by Chief Executive and key management personnel	2013/14	2012/13
Short-term employee benefits	1,246,372	1,209,364
Post-employment benefits	9,267	10,132
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-

Councillors (total salary and allowances paid to the Mayor and councillors)		
Harry Duynhoven (Mayor)	37,785	122,800
Andrew Judd (Mayor)	96,999	32,425
Keith Allum	25,758	-
Maurice Betts	9,833	32,970
Shaun Biesiek	41,854	33,329
Gordon Brown	31,877	-
Lynn Bublitz	9,977	32,970
Murray Chong	25,758	-
Grant Coward	25,758	-
Heather Dodunski	50,213	45,994
Sherril George	9,977	32,425
Lance Girling-Butcher	9,977	32,425
Richard Handley	25,758	-
Len Houwers	25,758	-
Colin Johnston	25,758	-
Richard Jordan	25,758	-
Pauline Lockett	9,977	32,425
Craig McFarlane	46,694	46,353
John McLeod	35,735	32,425
Alex Matheson	15,332	49,828
Marie Pearce	35,735	32,425
Phil Quinney	14,152	47,130
Howie Tamati	35,735	32,425
Total Cost	672,158	638,349

Notes to the Financial Statements



<i>Total remuneration by salary band</i>	2013/14	2012/13
< \$60,000	369	389
\$60K - \$79,999	111	109
\$80K - \$99,999	67	58
\$100K - \$119,999	23	18
\$120K - \$139,999	7	7
\$140K - \$159,999	6	5
\$160K - \$219,999	6	5
\$220K - \$359,999	2	3
Total head count	591	594

<i>Staffing levels</i>	2013/14	2012/13
Permanent full-time employees	368	362
Full-time equivalent of all other employees	139	137
Total full-time equivalent as at 30 June	507	499

Notes to the Financial Statements



Note 13: Separate Disclosures

	District		Consolidated	
	2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
Loss on Disposal of Assets	977	4,769	981	4,807
Profit on Disposal of Assets	(366)	(429)	(343)	(408)
Change in Provision for Doubtful Debts	-	(74)	2	(76)
Bad Debts	51	35	51	35
Audit Fees - Annual Audit	187	182	306	277
Audit Fees - Long-Term Plan	-	-	-	-
Computer Leases/Other Operating Lease Costs	62	55	202	196
Dividends Received - Other	(2,102)	(4,659)	(2,102)	(4,737)
Directors Fees	-	-	724	508
Amortisation (Computer Systems)	252	598	284	645
Employee Benefits	33,932	32,864	42,896	42,520
Super Scheme Expenses	780	547	780	547
Expenses from Other Long-term Employee Benefits	57	34	57	34
Expenses from Termination Benefits	377	163	377	163
Decline in Service Potential (Depreciation)				
Govett-Brewster Art Gallery	146	228	146	228
Puke Ariki and District Libraries	1,727	1,680	1,727	1,680
Community Development	289	274	289	274
Recreation and Events	1,280	1,321	1,280	1,321
Parks	2,306	2,221	2,306	2,221
Roads and Footpaths	10,359	10,053	10,359	10,053
Solid Waste and Refuse Collection	607	213	607	213
Stormwater Drainage	1,630	1,340	1,630	1,340
Flood Protection and Control Works	113	109	113	109
Water Supply	3,926	3,026	3,926	3,026
Wastewater Treatment	5,367	4,104	5,367	4,104
Regulatory Services	351	256	351	256
Management of Investments and Borrowing	27	27	27	27
Support Services	1,366	1,653	1,366	1,653
Council-Controlled Organisations	310	307	2,300	2,215
Decline in Service Potential (Depreciation)	29,804	26,812	31,794	28,720

Notes to the Financial Statements



Note 14: Net Cost of Service

	Expenditure		Revenue		Net Cost of Service		
	2013/14	2013/14	2013/14	2013/14	2013/14	2013/14	2012/13
	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Govett-Brewster Art Gallery	2,840	3,377	2,538	2,700	302	677	(681)
Puke Ariki and District Libraries	11,019	12,355	805	969	10,214	11,386	10,397
Community Development	4,690	4,802	1,040	1,013	3,650	3,789	5,168
Recreation and Events	9,758	9,553	3,297	2,662	6,461	6,891	6,737
Parks	15,478	15,753	2,088	2,036	13,390	13,717	12,205
Roads and Footpaths	23,800	23,284	10,673	9,691	13,127	13,593	12,224
Solid Waste and Refuse Collection	4,689	5,763	6,401	5,184	(1,712)	579	(1,386)
Stormwater Drainage	2,543	2,562	12	13	2,531	2,549	2,315
Flood Protection and Control Works	306	235	-	-	306	235	295
Water Supply	10,474	10,263	3,977	4,391	6,497	5,872	6,017
Wastewater Treatment	15,394	14,751	2,357	1,896	13,037	12,855	11,865
Regulatory Services	11,341	10,753	10,477	9,074	864	1,679	1,982
Emergency Management and Business Continuance	451	446	24	1	427	445	372
Economic Development	2,812	2,810	-	-	2,812	2,810	3,016
Civic and Democracy Services	5,801	6,181	229	137	5,572	6,044	5,429
Management of Investments and Funding	4,397	2,414	7,973	4,144	(3,576)	(1,730)	(4,958)
Net Internal Operating Costs	(1,754)	(1,359)	-	-	(1,754)	(1,359)	(1,876)
Total Net Cost of Service	124,039	123,943	51,891	43,911	72,148	80,032	69,121



Notes to the Financial Statements

Note 15: Financial Instrument Risk

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

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

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

Market Risk

Price Risk

Price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. NPDC is exposed to equity securities price risk on its investments, which are classified as financial assets at fair value through profit or loss. This price risk arises due to market movements in listed securities. This price risk is managed by diversification of NPDC's investment portfolio in accordance with its Treasury Management Policy and advice from Taranaki Investment Management Ltd (TIML).

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. NPDC is exposed to currency risk on its investment portfolio which includes investments denominated in a number of foreign currencies. This currency risk is managed by diversification of NPDC's investment portfolio in accordance with its Treasury Management Policy and advice from TIML.

Fair Value Interest Rate Risk

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

Cash flow Interest Rate Risk

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. Borrowings and investments issued at variable interest rates expose the Council and group to cash flow interest rate risk.

To manage interest rate risk at times, the Council borrows at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if the Council or Group borrowed at fixed rates directly. Under the interest rate swaps, the Council and group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Commodity Price Risk (Tasman Farms Limited)

The group's exposure to commodity price risk is primarily with international milk commodity prices and the United States manufacturing beef prices. Commodity price risk is minimised by forward contracts taken out by the milk and meat processors to which the group sells. Due to the nature of the international commodity markets most sales by the processors take place at spot prices. This risk is with our customers, not directly with the group.

Notes to the Financial Statements



Credit Risk

Treasury Investments

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

The Council is exposed to credit risk as a guarantor of all of LGFA's borrowings. Information about this exposure is explained in the Statement of Contingent Liabilities.

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

Perpetual Investment Fund (PIF) Investments

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

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

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

Maximum Exposure to Credit Risk

NPDC's maximum credit exposure for each class of financial instrument

	Note	District		Consolidated	
		2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
Cash and Cash Equivalents		6,242	13,039	6,988	13,473
Debtors and Other Receivables	6	12,125	12,098	20,399	18,457
Short-term Investments	8	37,670	25,356	37,670	25,356
Community and Related Party Loans		1,917	1,662	1,917	1,662
New Zealand Local Government Insurance Corporation		504	504	504	504
Other Interest Bearing Securities		1,182	1,175	1,182	1,175
New Zealand Local Government Funding Agency		836	436	836	436
Derivative Financial Assets		1,321	804	1,321	804
PIF Investments	8	217,966	212,432	86,452	77,367
Financial Guarantees		12	14	12	14
Total Credit Risk		279,775	267,520	157,281	139,248

Notes to the Financial Statements



Credit Quality of Financial Assets

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

	District		Consolidated	
	2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
Counterparties with Credit Ratings				
Cash at Bank and Term Deposits:				
AA	7,000	-	7,000	-
AA-	24,493	28,858	24,497	29,010
BBB+	10,000	9,537	10,000	9,819
BBB	-	-	-	-
No credit rating	-	-	-	-
Total Cash at Bank and Term Deposits	41,493	38,395	41,497	38,829
New Zealand Local Government Insurance Stock				
No credit rating	504	504	504	504
Total New Zealand Local Government Insurance Stock	504	504	504	504
New Zealand Local Government Funding Agency				
AA+	836	436	836	436
Total New Zealand Local Government Funding Agency	836	436	836	436
Other Interest Bearing Securities				
AAA	-	-	-	-
AA	-	100	-	100
AA-	600	500	600	500
A+	-	-	-	-
A	-	-	-	-
A-	250	250	250	250
BBB+	-	-	-	-
No credit rating	332	325	332	325
Total Other Interest Bearing Securities	1,182	1,175	1,182	1,175
Derivative Financial Assets				
AA-	1,321	804	1,321	804
Counterparties without Credit Ratings				
Community and Related Party Loans:				
Existing Counterparties with no past defaults	1,917	1,594	1,917	1,594
Total Community and Related Party Loans	1,917	1,594	1,917	1,594

Debtors and other receivables mainly arise from NPDC's statutory functions therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. NPDC has no significant concentrations of credit risk in relation to debtors and other receivables as it has a large number of customers, mainly ratepayers, and NPDC has power under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

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

Notes to the Financial Statements



Tasman Farms Limited

Credit risk exposure is concentrated with the large milk and meat processors supplied by the group's Tasmanian farms. One hundred per cent (2013: 100 per cent) of the trade receivables are due from the dairy and meat industry, namely dairy co-operatives, meat processors and share farmers. The exposure at balance date to credit risk is limited to the carrying value of trade debtors and other receivables. This risk is minimised by monitoring receivable balances on an on-going basis to ensure all outstanding amounts are paid within a two week period. The company is a shareholder in the major milk supplier Fonterra Australia (Bonlac Supply Company) Limited. The group performs credit evaluations on all entities requiring credit and generally does not require collateral.

Liquidity Risk

Management of Liquidity Risk

Liquidity risk is the risk that NPDC will encounter if it has difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk 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. NPDC aims to maintain flexibility in funding by keeping credit lines available. In meeting its liquidity requirements, NPDC maintains a target level of investments that must mature within the next 12 months. NPDC manages its borrowings in accordance with its funding and financial policies, which include a Liability Management Policy. These policies have been adopted as part of the NPDC's Long-Term Plan. NPDC has on call facilities with three separate banks totalling \$32m (2013 \$36m). There are no restrictions on the use of these facilities. At balance date \$0.3m has been drawn down on these facilities (2013 \$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 the Statement of Contingent Liabilities.

Contractual Maturity Analysis of Financial Liabilities

The table below analyses NPDC's financial liabilities into relevant 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 the balance date. The amounts disclosed are the contractual undiscounted cash flows.

	Note	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	More than 5 Years \$000
District 2014							
Creditors and Other Payables	1	19,722	19,722	19,722	-	-	-
Bank Facilities	2	-	-	-	-	-	-
Secured Loans	2	110,954	130,450	41,334	20,564	45,656	22,896
Financial Guarantees		12	12	12	-	-	-
Derivatives		1,117	1,117	52	10	639	416
Total District 2014		131,805	151,301	61,120	20,574	46,295	23,312
Consolidated 2014							
Creditors and Other Payables	1	29,619	29,619	29,619	-	-	-
Bank Facilities	2	69,060	69,060	69,060	-	-	-
Secured Loans	2	112,107	131,603	42,929	21,122	45,656	22,896
Financial Guarantees		12	12	12	-	-	-
Derivatives		1,117	1,117	52	10	639	416
Total Consolidated 2014		211,915	231,411	140,672	21,132	46,295	23,312

Notes to the Financial Statements



	Note	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	More than 5 Years \$000
District 2013							
Creditors and Other Payables	1	16,577	16,577	16,577	-	-	-
Bank Facilities	2	-	-	-	-	-	-
Secured Loans	2	110,354	119,784	68,957	9,738	25,571	15,518
Financial Guarantees		14	14	14	-	-	-
Derivatives		3,290	3,290	-	56	1,860	1,374
Total District 2013		130,235	139,665	85,548	9,794	27,431	16,892
Consolidated 2013							
Creditors and Other Payables	1	27,653	27,653	27,653	-	-	-
Bank Facilities	2	75,799	75,799	-	-	-	75,799
Secured Loans	2	113,110	121,912	70,876	9,947	25,571	15,518
Financial Guarantees		14	14	14	-	-	-
Derivatives		3,290	3,290	-	56	1,860	1,374
Total Consolidated 2013		219,866	228,668	98,543	10,003	27,431	92,691

Contractual Maturity Analysis of Financial Assets

The table below analyses NPDC's financial assets into relevant maturity groupings based on the remaining period at the balance date of the contractual maturity date.

	Carrying Amount \$000	Contractual Cash flows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	More than 5 Years \$000
District 2014						
Cash and Cash Equivalents	6,242	6,242	6,242	-	-	-
Bank Term Deposits	37,670	38,418	38,418	-	-	-
Debtors and Other Receivables	12,125	12,125	12,125	-	-	-
Community and Related Party Loans	1,917	3,419	216	210	520	2,474
Local Authority Stock	504	504	504	-	-	-
Short-term Investments	1,182	1,316	378	296	326	316
Derivative Financial Assets	1,321	1,321	-	146	35	1,140
PIF Investments*	217,966	217,966	217,966	-	-	-
NZ LGFA	836	836	-	-	176	660
Total District 2014	279,763	282,147	275,849	652	1,057	4,590
Consolidated 2014						
Cash and Cash Equivalents	6,988	6,988	6,988	-	-	-
Bank Term Deposits	37,670	38,418	38,418	-	-	-
Debtors and Other Receivables	20,399	20,399	20,399	-	-	-
Community and Related Party Loans	1,917	3,419	216	210	520	2,474
Local Authority Stock	504	504	504	-	-	-
Short-term Investments	1,182	1,316	378	296	326	316
Derivative Financial Assets	1,321	1,321	-	146	35	1,140
PIF Investments*	86,452	86,452	86,452	-	-	-
NZ LGFA	836	836	-	-	176	660
Total Consolidated 2014	157,269	159,653	153,355	652	1,057	4,590

Notes to the Financial Statements



	Carrying Amount \$000	Contractual Cash flows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	More than 5 Years \$000
District 2013						
Cash and Cash Equivalents	13,039	13,118	13,118	-	-	-
Bank Term Deposits	25,356	25,802	25,802	-	-	-
Debtors and Other Receivables	12,098	12,098	12,098	-	-	-
Community and Related Party Loans	1,662	1,730	68	68	204	1,390
Local Authority Stock	504	504	504	-	-	-
Short-term Investments	1,175	1,367	374	49	944	-
Derivative Financial Assets	804	804	-	372	-	432
PIF Investments*	212,432	212,432	212,432	-	-	-
NZ LGFA	436	436	-	-	80	356
Total District 2013	267,506	268,291	264,396	489	1,228	2,178
Consolidated 2013						
Cash and Cash Equivalents	13,964	13,964	13,964	-	-	-
Bank Term Deposits	25,356	25,802	25,802	-	-	-
Debtors and Other Receivables	18,457	18,457	18,457	-	-	-
Community and Related Party Loans	1,662	1,730	68	68	204	1,390
Local Authority Stock	504	504	504	-	-	-
Short-term Investments	1,175	1,367	374	49	944	-
Derivative Financial Assets	804	804	-	372	-	432
PIF Investments*	77,367	77,367	77,367	-	-	-
NZ LGFA	436	436	-	-	80	356
Total Consolidated 2013	139,725	140,431	136,536	489	1,228	2,178

* The PIF consists of a number of separate investments of different types. While there is not an intention to sell these as at this particular point in time, they may be realised depending on market circumstances. As a result no attempt has been made to categorise this asset into time buckets.

Notes to the Financial Statements

Sensitivity Analysis

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

Interest Rate Risk

	2014 (\$000)				2013 (\$000)			
	-100bps		+100bps		-100bps		+100bps	
	Profit/ (Loss)	Other Equity	Profit/ (Loss)	Other Equity	Profit/ (Loss)	Other Equity	Profit/ (Loss)	Other Equity
District								
Financial Assets:								
- Cash and Cash Equivalents	(62)	-	62	-	(130)	-	130	-
- Bank Term Deposits	(377)	-	377	-	(254)	-	254	-
- NZ LGFA	-	-	-	-	-	-	-	-
- Other Interest Bearing Securities and Stock	-	-	-	-	-	-	-	-
- PIF Investments	-	-	-	-	-	-	-	-
- Local Authority Stock	-	-	-	-	-	-	-	-
- Interest Rate Swaps	(89)	-	2,635	-	(205)	-	1,718	-
Financial Liabilities:								
- Bank Facilities	0	0	0	0	-	-	-	-
- Secured Loans	0	0	0	0	-	-	-	-
- Interest Rate Swaps	(3,248)	0	906	0	(6,471)	-	(280)	-
Total Sensitive to Interest Rate Risk	(3,776)	0	3,980	0	(7,060)	-	1,822	-
Consolidated								
Financial Assets:								
- Cash and Cash Equivalents	(70)	-	70	-	(140)	-	140	-
- Bank Term Deposits	(377)	-	377	-	(254)	-	254	-
- New Zealand Local Government Insurance Corporation	-	-	-	-	-	-	-	-
- Other Interest Bearing Securities and Stock	-	-	-	-	-	-	-	-
- PIF Investments	-	-	-	-	-	-	-	-
- Interest Rate Swaps	(89)	-	2,635	-	(205)	-	1,718	-
Financial Liabilities:								
- Bank Facilities	-	-	-	-	-	-	-	-
- Secured Loans	-	-	-	-	-	-	-	-
- Interest Rate Swaps	(3,248)	-	906	-	(6,471)	-	(280)	-
- Tasman Farms Limited	704	704	(704)	(704)	(241)	-	241	-
Total Sensitive to Interest Rate Risk	(3,080)	704	3,284	(704)	(7,310)	-	2,072	-

Notes to the Financial Statements



Foreign Exchange and Equity Price Risk

	2014 (\$000)				2013 (\$000)			
	-10%		+10%		-10%		+10%	
	Profit (Loss)	Other Equity	Profit (Loss)	Other Equity	Profit (Loss)	Other Equity	Profit (Loss)	Other Equity
District								
Financial Assets Foreign Exchange Risk:								
- PIF Investments	6,028	-	(5,368)	-	6,398	-	(5,235)	-
Equity Price Risk:								
- PIF Investments	(3,017)	-	3,017	-	(2,690)	-	2,690	-
Total Sensitivity to Foreign Exchange and Equity Price Risk	3,010	-	(2,350)	-	3,709	-	(2,545)	-
Consolidated								
Financial Assets Foreign Exchange Risk:								
- PIF Investments	6,028	-	(5,368)	-	6,398	-	(5,235)	-
- Tasman Farms Limited	934	26,883	(765)	(12,097)	(1,471)	18,574	1,143	(14,578)
Equity Price Risk:								
- PIF Investments	(3,017)	-	3,017	-	(2,690)	-	2,690	-
Total Sensitivity to Foreign Exchange and Equity Price Risk	3,944	26,883	(3,115)	(12,097)	2,238	18,574	(1,402)	(14,578)

Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 100 bps is equivalent to a decrease in interest rates of 1.0 per cent.

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -100bps/+100bps.

Explanation of foreign exchange risk sensitivity

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

Explanation of other price risk sensitivity

The sensitivity for listed shares has been calculated based on a -10%/+10% (2013: -10%/+10%) movement in the quoted bid share price at year-end for the listed shares.

Notes to the Financial Statements



Categories of Financial Assets and Liabilities

	Note	District		Consolidated	
		2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
Financial Assets at fair value through profit or loss designated upon initial recognition:					
- Perpetual Investment Fund	8	217,966	212,432	86,452	77,367
Total Financial Assets at fair value through profit or loss		217,966	212,432	86,452	77,367
Assets held to maturity:					
- Other shareholdings/bonds		850	850	850	850
Total assets held to maturity		850	850	850	850
Available for sale:					
- Local Authority Stock		836	504	836	504
- Derivatives		1,321	804	1,321	804
- NZ LGFA		504	436	504	436
Total available for sale		2,661	1,744	2,661	1,744
Loans and receivables:					
- Cash and cash equivalents		6,242	13,039	6,988	13,473
- Trade and other receivables	6	12,125	12,098	20,399	18,457
- Short-term investments		37,670	25,356	37,670	25,356
- Loans to New Plymouth Airport Joint Venture	8	1,360	1,428	1,360	1,428
- Other mortgages and loans to third party		889	559	889	559
Total loans and receivables		58,286	52,480	67,306	59,273
Financial liabilities measured at amortised cost:					
- Trade and other payables	1	19,722	16,577	29,619	27,653
- Bank facilities		-	-	69,060	75,799
- Secured loans	2	110,954	110,354	112,107	113,110
- Derivatives		1,117	3,290	1,117	3,290
Total financial liabilities measured at amortised cost		131,793	130,221	211,903	219,852

Notes to the Financial Statements



Derivative Financial Instruments

	District		Consolidated	
	2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
Current asset portion:				
- Interest rate swaps	-	-	-	-
Non-current asset portion:				
- Interest rate swaps	1,321	804	1,321	804
Total derivative financial assets	1,321	804	1,321	804
Current liability portion:				
- Interest rate swaps	52	-	52	-
Non-current liability portion:				
- Interest rate swaps	1,065	3,290	1,065	3,290
Total derivative financial liabilities	1,117	3,290	1,117	3,290

Fair value

The fair values of forward foreign exchange contracts and interest swaps have been determined using a discounted cash flow valuation technique based on quoted market prices.

Interest rate swaps

The fair values of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters, such as interest rate yield curves. Most market parameters are implied from instrument prices.

The notional principal amounts of the outstanding interest rate swap contracts were \$124m (2013: \$99m).

At 30 June 2014, the fixed interest rates of the interest rate swaps vary from 3.70% to 6.63%.

Gains and losses recognised in the hedging reserve in equity on interest rate swap contracts as at 30 June 2014 will be released to the surplus or deficit as interest is paid on the underlying debt. The Council and Group currently have no fair value hedges.

Fair Value Hierarchy Disclosures

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



The following tables analyse the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

Fair Value Hierarchy

	Note	Total \$000	Quoted Market Price \$000	Observable Inputs \$000	Significant Non- observable Inputs \$000
District 2013/14					
Financial Assets:					
- NZ Local Government Insurance Corporation		504	-	504	-
- PIF investments	8	217,966	29,114	12,444	176,406
- Derivatives		1,321	-	1,321	-
Total Financial Assets		219,791	29,114	14,269	176,406
Financial Liabilities:					
- Derivatives		1,117	-	1,117	-
Total Financial Liabilities		1,117	-	1,117	-
Consolidated 2013/14					
Financial Assets:					
- NZ Local Government Insurance Corporation		504	-	504	-
- PIF investments	8	86,452	29,114	12,444	44,894
- Derivatives		1,321	-	1,321	-
Total Financial Assets		88,277	29,114	14,269	44,894
Financial Liabilities:					
- Derivatives		1,117	-	1,117	-
Total Financial Liabilities		1,117	-	1,117	-
District 2012/13					
Financial Assets:					
- NZ Local Government Insurance Corporation		504	-	504	-
- PIF investments	8	212,432	28,004	6,444	177,983
- Derivatives		804	-	804	-
Total Financial Assets		213,740	28,004	7,752	177,983
Financial Liabilities:					
- Derivatives		3,290	-	3,290	-
Total Financial Liabilities		3,290	-	3,290	-
Consolidated 2012/13					
Financial Assets:					
- NZ Local Government Insurance Corporation		504	-	504	-
- PIF investments	8	77,367	28,004	6,444	42,918
- Derivatives		804	-	804	-
Total Financial Assets		78,675	28,004	7,752	42,918
Financial Liabilities:					
- Derivatives		3,290	-	3,290	-
Total Financial Liabilities		3,290	-	3,290	-

Notes to the Financial Statements



Note 16: Taxation

	District		Consolidated	
	2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
Net profit/(loss) before tax	12,783	(3,974)	27,480	(22,637)
Share of Associates tax paid earnings	-	-	-	-
Surplus subject to tax	12,783	(3,974)	27,480	(22,637)
Prima facie tax at 28 cents (2011: 30 cents)	3,579	(1,113)	7,694	(6,338)
Adjust tax effect of:				
Permanent difference	(3,576)	1,091	(4,052)	1,270
Prior year adjustment	-	-	-	-
Taxation expense/(refund)	3	(22)	3,642	(5,068)

The following group member had unrecognised tax losses available for carry forward:

New Plymouth District Council	2,137	962
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Deferred Taxation Asset

	Property, Plant and Equipment	Other Provisions	Losses	Total
District				
Balance as at 30 June 2012	-	4	29	33
Charged to income	-	(1)	(5)	(6)
Charged to equity	-	-	-	-
Balance as at 30 June 2013	-	3	24	27
Charged to income	-	-	(24)	(24)
Charged to equity	-	-	-	-
Balance as at 30 June 2014	-	3	-	3
Consolidated				
Balance as at 30 June 2012	-	4	29	33
Charged to income	-	(1)	(5)	(6)
Charged to equity	-	-	-	-
Balance as at 30 June 2013	-	3	24	27
Charged to income	-	-	(24)	(24)
Charged to equity	-	-	-	-
Balance as at 30 June 2014	-	3	-	3

Notes to the Financial Statements



Deferred Taxation Liability

	Property, Plant and Equipment	Other Provisions	Losses	Total
District				
Balance as at 30 June 2012	(1,131)	-	-	(1,131)
Charged to income	27	-	-	27
Charged to equity	(114)	-	-	(114)
Balance as at 30 June 2013	(1,218)	-	-	(1,218)
Charged to income	21	-	-	21
Charged to equity	-	-	-	-
Balance as at 30 June 2014	(1,197)	-	-	(1,197)
Consolidated				
Balance as at 30 June 2013	(45,570)	(218)	5,923	(39,865)
Balance as at 30 June 2014	(42,717)	(111)	2,240	(40,588)

Note 17: Joint Ventures

Forestry

NPDC is involved in four forestry joint venture agreements:

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

The Council's interest in these joint ventures is disclosed in the financial statements under the classifications shown below.

	District		Consolidated	
	2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
Fixed Assets				
Forestry	1,098	1,071	1,098	1,071
Share of assets employed	1,098	1,071	1,098	1,071
Share of surplus/(deficit)	(5)	153	(5)	153

Each forestry joint venture may be required to build infrastructure at the point of harvest from 2014.

Emission Trading Scheme - refer to Statement of Contingent Liabilities.

Notes to the Financial Statements



New Plymouth Airport

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

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

	District		Consolidated	
	2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
Fixed Assets:				
- Land	7,069	7,069	7,069	7,069
- Buildings	854	848	854	848
- Furniture and equipment	2	2	2	2
- Infrastructure	5,856	6,118	5,856	6,118
Current Assets:				
- Bank	225	143	225	143
- Sundry debtors	60	66	60	66
- Deferred tax asset	4	27	4	27
Liabilities:				
- Sundry creditors	(478)	(478)	(478)	(478)
- Deferred tax liability	(1,184)	(1,218)	(1,184)	(1,218)
Share of assets employed	12,408	12,577	12,408	12,577
Share of net expenses	943	943	943	943
Share of revenue	901	864	901	864

Note 18: Related Parties Transactions

The Council is deemed to have related party relationships with Taranaki Investment Management Limited, New Plymouth Airport Joint Venture, Forestry Joint Ventures and Venture Taranaki Trust.

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

Forestry Joint Ventures

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

Notes to the Financial Statements



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

	2013/14 \$000	2012/13 \$000
McKay Joint Venture	8	8
Duthie Joint Venture	7	7
Oakura Farms Limited Joint Venture	10	9
Tarata Ngatimaru Pukehou Joint Venture	8	10

New Plymouth Airport Joint Venture

The ownership and operation of New Plymouth Airport is undertaken as a joint venture between New Zealand Government (50 per cent) and NPDC (50 per cent). During the year the following related party transactions took place.

	2013/14 \$000	2012/13 \$000
Services provided by NPDC	255	258
Lease charges to NPDC	26	25
Interest and Loan repayments	364	375
Account payable to NPDC	59	54
Loan to New Plymouth Airport Joint Venture	2,720	2,856

Taranaki Investment Management Limited

New Plymouth District Council is a related party because it owns all the shares in the company.

	2013/14 \$000	2012/13 \$000
Advance provided by NPDC	60	60
Services provided to NPDC	1,363	1,145
Amounts receivable from NPDC	370	165
Services provided by NPDC	94	102
Amounts payable to NPDC	84	79

No members of NPDC or its senior management have entered into any transactions with the company during the 2013/14 year.

Venture Taranaki Trust

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

	2013/14 \$000	2012/13 \$000
Payment for services and grants, GST inclusive	2,750	2,954
Amounts invoiced for services provided, GST inclusive	201	406
Amounts receivable from/to NPDC	-	19

Notes to the Financial Statements



Tasman Farms Limited

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

	2013/14 \$000	2012/13 \$000
Amounts invoiced for services received from Tasman Farms Limited (TFL)	1,027	-
Amounts invoiced for services provided to TFL	-	472
Amounts payable to TFL	1,027	-
Amounts receivable from TFL	-	472

Key management and members of the Council

During the year councillors and key management, as part of a normal customer relationship, were involved in minor transactions with the Council such as payment of rates, purchase of rubbish bags.

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

Note 19: Landfill Aftercare Provision

NPDC has three active landfills and six closed landfills for which there are post closure responsibilities. The main landfill at Colson Road receives 100 per cent of the total refuse disposed. The other landfills, including the closed facilities, have been taken into account in estimating the liability but are relatively insignificant.

Colson Road landfill is being developed in several stages and some have already been closed. Closure costs have been allowed for in stages up to final closure which is estimated in year 2019. Post closure costs have been estimated to continue for a further 30 years to year 2049. The liability provision has been discounted using a discount rate of six per cent.

	District		Consolidated	
	2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
Opening balance	1,183	1,027	1,183	1,027
Amounts used	435	156	435	156
Closing balance	1,618	1,183	1,618	1,183

Note 20: Major Budget Variations

Explanations for major variations from the Council budget figures in the Annual Plan 2013/14 are as follows:

Statement of Comprehensive Income

A detailed operating result is found in the Statement of Comprehensive Income. The Council recorded a surplus of \$12.8m which was higher than the budget surplus of \$8.4m. This surplus was due to greater revenues from a number of areas including recreation and events, regulatory services and solid waste. The Perpetual Investment Fund (PIF) also produced a solid return of 6.3 per cent and the Council's own investment income was up due to greater return from deposits and higher forestry revenue. Revenue was also helped by a positive revaluation of \$2.7m on our interest rate swaps which are used to hedge our borrowing interest rates. The Council's expenses were well controlled and were on or below budget for most activities. The Council's interest expense of \$6.14m was well below budget primarily because the Council did not have to make further borrowings because of the timing of the capital expenditure programme.

Notes to the Financial Statements



Consolidated Other Expenditure for the prior year 2012/13 included the transfer of the Yarrow Stadium Trust to the Taranaki Regional Council (\$21.4m). In addition the operating expenditure of Tasman Farms Limited was down by \$18.9m due to a change in stock valuations.

Consolidated Other Revenue was higher due to an increase in sales for Tasman Farms Limited of \$8.1m.

Statement of Financial Position

	2013/14 Actual \$000	2013/14 Budget \$000	Variance	Comments
Other Financial Assets (non-current)	90,802	61,520	29,282	The PIF achieved a 5.7 per cent per annum return and finished the year up \$5.6m to \$218.0m after payment of releases and costs of \$6.6m for the year.
Tasman Farms Limited	131,535	175,840	(44,305)	<p>Since inception the PIF has paid \$174.3m in release payments to the Council and achieved an annual return of 5.8 per cent per annum.</p> <p>Fixed income and listed equities performed as expected with the PIF exceeding four out of five benchmarks.</p> <p>Alternative assets delivered a 6.6 per cent per annum return, benefiting from the record milk production and milk price Tasman Farms Limited received this financial year.</p> <p>In addition, supportive market conditions allowed for the exit of several investee companies held by private equity funds invested in by the PIF.</p> <p>The PIF asset allocation is designed for a long term investment horizon and matches the multi-generational perpetual mandate of the PIF.</p> <p>The expected return over the next five years is 6.0 per cent per annum and the following five years is 7.6 per cent per annum.</p>
Property, Plant and Equipment	1,979,334	2,218,350	(239,016)	The delay in our capital programme has contributed to the variance with approximately \$13.6m of works to be carried forward into the next financial year. The revaluation of infrastructural assets took place a year earlier than budgeted and the increase in value was less than budgeted.
Other Financial Assets (current)	37,738	17,160	20,578	Term deposits more than 90 days. The increase is due to the delay in our capital programme and the sale of Junction Road leases.
Borrowings	110,954	135,880	(24,926)	Borrowings have not increased as expected due to the delay in our capital programme noted above.

Notes to the Financial Statements



	2013/14 Actual \$000	2013/14 Budget \$000	Variance	Comments
Special Funds/ Reserves	80,297	56,430	23,867	Due to the timing of our capital works as outlined above our depreciation reserves balances have increased. The sale of all Junction Road leasehold land has increased the Junction Road Reserve to \$8.0m.
Asset Revaluation Reserve	598,207	799,380	(201,173)	The revaluation of infrastructural assets took place a year earlier than budgeted and the increase in value was less than budgeted.

Note 21: Rates Remissions

The Council allows for rate remissions for community, sporting and similar organisations and on Maori freehold land in terms of the Council's rate remission policies, pursuant to Local Government (Rating) Act 2002 (the Act). In 2013/14, the Council allowed remission of \$457,000 (2012/13: \$428,000) excluding GST.

In terms of the Act certain properties are designated as non rateable. The Council does not rate such properties and they are not included in the following remission figures.

	2013/14 \$000	2012/13 \$000
Community organisations	339	321
Maori freehold land	20	20
Land protected for natural conservation purposes	98	87
Postponed rates (including GST)	61	60

Note 22: Communitrak™ Survey

The National Research Bureau 'Communitrak' Survey is a survey carried out by approximately 30 local authorities throughout New Zealand. It is a means for local authorities to measure the satisfaction of their residents with the services the local authority provides. New Plymouth District Council has been conducting this survey since 1994.

The survey is carried out asking many of the same questions in each local authority. A random sample of 400 people based on the five community areas was used for New Plymouth District. The survey is conducted in a way that provides results which have a margin of error of plus or minus five per cent given a 95 per cent level of confidence. This means that if 100 samples were taken, we would expect the margin error to contain the true value in all but five samples. The satisfaction levels indicated include the removal of those people who did not have a view on satisfaction or dissatisfaction or simply did not know due to not using the facility or service. Removing the "don't knows" from the calculation enables better comparison between our activities, allowing for more informed Council decision-making. However, we have also included the satisfaction measure including "don't knows" for transparency.

Notes to the Financial Statements



Note 23: Significant Capital Projects

	Total Budget \$000	Total Expenditure to Date \$000	Variance \$000	Comments
Len Lye Centre Govett-Brewster Art Gallery renewals, earthquake strengthening and Building Act compliance	16,929	7,237	9,692	Tendered 1 November 2012. Tender accepted February 2013. Work on site started April 2013. Completion date March 2015. Opening July 2015.
New Cemetery site development	1,602	865	737	Change of timing approved by the Council. Delay of site works due to weather.
Pukekura Park lake quality improvement	1,425	1,077	348	Dredging of lake component of project was stopped after contract was terminated. The Council resolved to reconsider the project in the 2015-2025 LTP.
Colson Road second lift development	1,266	670	596	Completed. Remaining work will be done as cell is filled as part of normal operation.
Cycle Strategy - Let's Go	8,284	5,073	3,211	Coronation Avenue and Te Henui Bridges completed. Upper Huatoki Walkway upgrade underway and Coastal Walkway Extension designed.
Waitara to NP sewer pipe and pump station	12,877	6,697	6,180	Pipeline from Waitara to New Plymouth has been laid. Conversion of WWTP to pump station nearly complete. Operational date now programmed for end of September 2014.
WWTP capacity upgrade	23,200	12,837	10,363	Aeration upgrade completed (\$11.5m). Currently in design phase for solids upgrade (\$6.2m over two years). Updated projects in LTP.

Notes to the Financial Statements



Note 24: Intangible Assets

	District		Consolidated	
	2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
Cost 1 July	5,690	5,668	5,858	5,810
Accumulated amortisation 1 July	3,848	3,250	3,966	3,327
Carrying amount 1 July	1,842	2,418	1,892	2,483
Current year additions	1,619	111	1,621	143
Current year disposals	563	89	563	95
Current year amortisation	252	598	284	639
Cost 30 June	6,746	5,690	6,916	5,858
Accumulated amortisation 30 June	4,100	3,848	4,250	3,966
Carrying amount 30 June	2,646	1,842	2,666	1,892
<i>Comprising:</i>				
Software	2,476	1,805	2,496	1,855
Carbon Credits	170	37	170	37

Note 25: Biological Assets

	District		Consolidated	
	2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
Balance as at 1 July	3,587	3,127	3,587	3,127
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	51	720	51	720
Decrease due to harvest	(611)	(253)	(611)	(253)
Other changes	42	(7)	42	(7)
Balance as at 30 June	3,069	3,587	3,069	3,587

The Council owns 217.0 hectares (2013: 226.5 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 four joint ventures comprising 139.3 hectares (2013: 138.0 hectares) at varying stages of maturity ranging from 16 to 30 years. Refer to Note 17 for details of the Council's investment in the Joint Ventures.

Valuation assumptions

Independent registered valuers, PF Olsen Limited, have valued forestry assets as at 30 June 2014. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- A post-tax discount rate of 7.00 per cent (2013: 7.00 per cent) has been used in discounting the present value of expected cash flows.
- Notional land rental costs have been included for freehold land in respect to the Joint Ventures only.
- The forest has been valued on a going-concern basis and only includes the value of the existing crops on a single rotation basis less point of sale costs estimated at 2.00 per cent (2013: 2.00 per cent).
- No allowance for inflation has been provided.
- Costs are current average costs. No allowance has been made for cost improvements in future operations.
- Log prices are based on a three-year historical rolling average.

Notes to the Financial Statements



Financial risk management strategies

The Council is exposed to financial risks arising from changes in timber prices. The Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future. Therefore, no measures have been taken to manage the risks of a decline in timber prices. The Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

Emission Trading Scheme - refer to Statement of Contingent Liabilities.

Note 26: Perpetual Investment Fund (PIF)

	Actual 2013/14	Actual 2012/13
Opening Balance	212,432	227,361
Income and Gains:		
- Interest	416	313
- Dividends	2,102	4,659
- Other income	3	179
- Currency gains	11,830	3,557
- Unrealised gains	-	-
Total Income and Gains	14,351	8,708
Expenses and Losses:		
- Direct expenses	1,304	1,410
- Realised loss on disposals	476	5,997
- Unrealised losses	477	5,906
Total Expenses and Losses	2,257	13,313
Net Surplus/(Deficit) for the year	12,094	(4,605)
Transfers In/(Out) of the Fund:		
- Reimbursement of costs to NPDC	(1,379)	(1,284)
- Release to NPDC (including interest)	(5,181)	(9,040)
Total Transfers In/(Out) of the Fund	(6,560)	(10,324)
Net change in PIF investment	5,534	(14,929)
Closing Balance	217,966	212,432
<i>Portfolio Asset Allocation:</i>		
Alternative Assets	176,406	177,983
US Equity	9,368	8,706
Emerging Market Equity	6,416	6,542
Europe and Pacific equity	10,404	9,870
Fixed income	2,928	2,886
Cash	12,444	6,445
	217,966	212,432

Notes to the Financial Statements



Note 27: Livestock

	Physical Quantities		Consolidated	
	2013/14	2012/13	2013/14 \$000	2012/13 \$000
Sheep livestock	87	1,038	6	96
Beef livestock	65	431	46	320
Dairy livestock	29,279	29,027	38,172	34,970
Total at net market value			38,224	35,386
<i>Attributed to:</i>				
Current Assets			5,778	5,661
Non-current Assets			32,446	29,725
			38,224	35,386
Sheep livestock				
Carrying value at beginning of period			96	348
Sales			(78)	(267)
Purchases			-	-
Foreign exchange adjustment to opening balance			(7)	(13)
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributed to physical changes			(1)	111
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributed to price changes			(4)	(83)
Carrying value at end of period (sheep livestock)			6	96
Beef livestock				
Carrying value at beginning of period			320	4,240
Sales			(313)	(5,039)
Purchases			-	778
Foreign exchange adjustment to opening balance			(24)	(125)
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributed to physical changes			48	623
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributed to price changes			15	(157)
Carrying value at end of period (beef livestock)			46	320
Dairy livestock				
Carrying value at beginning of period			34,970	40,591
Sales			(8,113)	(9,779)
Purchases			2,765	4,766
Foreign exchange adjustment to opening balance			(3,292)	(2,541)
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributed to physical changes			5,596	6,323
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributed to price changes			6,246	(4,390)
Carrying value at end of period (dairy livestock)			38,172	34,970

Notes to the Financial Statements



In accordance with industry practice the directors have classified 15 per cent of the dairy livestock as current, representing a reasonable estimate of the portion of the dairy herd that will be sold during the next 12 months.

Nature of Assets

Beef cattle and sheep are run on the non-dairying land on the Woolnorth property. The total number of beef cattle carried at 31 May 2014 has declined. This decline in numbers continues to reflect the changed focus of the dairy support operations. Large volumes of feed are conserved and utilised by the dairy operations. The dairy support operations also provide grazing for dairy cows both when wintered off the milking platforms and when it is appropriate to retain the dairy animal and place it back into an autumn calving pattern once in a suitable condition. Dairy cows are run on the Consolidated Group's 25 dairy units. Replacement dairy heifers are run on the Heifer Block at Woolnorth and are managed as part of the Consolidated Group's dairy support operations. The financial risk management strategy for livestock incorporates the above and the overall financial risk management strategy.

Valuation of Livestock and Fodder

All livestock are valued annually at balance date. The directors have based their valuation on an appraisal undertaken by Peter Townsend, Livestock Agent for Roberts Limited. All feed stocks are valued annually at balance date. The Directors have based their valuation on an appraisal undertaken by independent farm consultant Penny Williams.

Livestock Numbers

A stock audit process is used to tally all livestock numbers with physical counts for all classes of stock (an independent manager is required to sign off on all tallies), all feed reserves, including testing for quality and adjustment of figures where wastage has occurred.

Note 28: Funding from External Sponsors

The Council would like to gratefully acknowledge the following funding.

Funder	Description	Amount
George Mason Trust	Scholarship	10,000
Govett-Brewster Foundation	Acquisitions	34,964
LEOTEC	Education programme (Puke Ariki)	60,800
	Education programme (Govett-Brewster Art Gallery)	44,100
Lion Foundation	Festival of Lights - sound and lighting (Recreation and Events)	16,000
Lotteries Grants Board	Funding for WW1 exhibition	50,400
Lysaght Watts Trust	Funding for Duffill Architectural Drawings digitising project	16,000
NZCT	Festival of Lights - brochure and printing (Recreation and Events)	20,000
	Okato Neighbourhood Park skate bowl (Parks)	75,000
	Water catcher and track work Mangamahoe	11,000
Puke Ariki Trust	Scholarship	5,000
Southern Trust	Festival of Lights (Recreation and Events)	20,000
Taranaki Electricity Trust	Upgrade of footpath in Urenui Domain	16,000
Taranaki Regional Council	Long-Term Gallery refresh, Surf and Tamanui exhibitions and events	125,000

Notes to the Financial Statements



Funder	Description	Amount
Todd Energy	Contribution to the Len Lye Centre (further contribution of \$500,000 to come in 2014/15)	2,500,000
TSB Community Trust	Contribution to the Len Lye Centre	1,000,000
	Surf exhibition events and education programme (Puke Ariki)	19,930
	Crackerjacks programme (Puke Ariki)	5,860
	Lest We Forget research and evaluation phase	50,000
	Homework Taranaki art exhibition	21,930
	Festival of Lights - on stage component/provision of regional buses (Recreation and Events)	110,000
	Waitangi Day event (Recreation and Events)	5,000
	Support for concerts (Recreation and Events)	40,000

Note 29: Properties Intended for Sale

Properties intended for sale include buildings at the Fitzroy Holiday Park and various parcels of vacant land which are surplus to requirements and are expected to be sold by 30 June 2015.

	District		Consolidated	
	2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
Land	1,599	3,427	1,599	3,427
Buildings	333	417	333	417
Total Properties Intended for Sale	1,932	3,844	1,932	3,844

Note 30: SEVERANCE PAYMENTS

	District		Consolidated	
	2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
During 2013/14 there was one severance payment:				
- Severance Payment One	10	18	10	18
- Severance Payment Two	-	15	-	15
- Severance Payment Three	-	25	-	25
Total Severance Payments	10	58	10	58

Note 31: Debenture Trust Deed

All NPDC's secured loans, plus the overdraft, are secured under the terms of the Debenture Trust Deed between NPDC and Foundation Corporate Trust as Trustee. Security is by a charge over the Council's ability to levy rates in favour of the Trustee. Pursuant to the Debenture Trust Deed, NPDC has issued to its bankers security certificates totalling \$3,728m to secure the various bank loan facilities, bank overdraft and guarantees issued on behalf of NPDC and other general banking facilities.

Notes to the Financial Statements



Note 32: Accounting Standards

The following Accounting Standards, issued or amended which are applicable to the Group (but not yet effective) have not been adopted for the annual report ended 30 June 2014.

- The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Council is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Council expects to transition to the new standards in preparing its 30 June 2015 financial statements.
- Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Note 33: Employee Entitlements

	District		Consolidated	
	2013/14 \$000	2012/13 \$000	2013/14 \$000	2012/13 \$000
Long service leave	119	124	119	124
Retirement gratuities	832	913	832	913
Total Employee Entitlements	951	1,037	951	1,037

Note 34: Insurance Cover

	Cover	Sum Insured \$000
Total value of all assets covered by insurance contracts	Material damage and forestry	403,842
Total value of all assets covered by financial risk sharing arrangements	LAPP	557,253
Total value of all assets that are self-insured	Self-insurance	1,300

Note 35: Rating base information

	2013/14*	2014/15**
Projected number of rating units	34,590	34,766
Projected total capital value of rating units	\$16,277,974,000	\$16,527,542,250
Projected total land value of rating units	\$8,442,611,200	\$8,634,434,550

* These are the actual rates strike figures.

** District Roll Revaluation effective 1 July 2014.

Notes to the Financial Statements



Note 36: Subsequent Events

The revolving credit facility - Tasman Farms Limited (Rabobank loan) has been classified as a current liability as the company debt facilities were subject to annual review within 12 months of 31 May 2014 whereby the company did not have an unconditional right to defer repayment of the facility for a period of more than one year from the balance sheet date. Subsequent to 31 May 2014 the company completed the annual review with the bank and the debt facilities were confirmed in writing on 25 September 2014. The facility expires on 30 November 2016 and the next review date is 30 November 2015.

The Australian Government has confirmed its intention of lowering the company tax rate to 28.5 per cent from 1 July 2015. However for companies with a taxable income over \$5m this will be offset by a proposed 1.5 per cent Paid Parental Leave levy. In accordance with AASB 112 Income Taxes, this announcement will not impact the 2014 financial statements as the legislation to reduce the company tax rates was not enacted by 31 May 2014. We note that the legislation has not been passed by both Houses of Parliament at the date these financial statements have been authorised for issue.

There are no other subsequent events which will have a material impact on these financial statements (2013: nil).



Section 4

Council-controlled Organisations

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The following pages summarise the Statements of Intent (SOIs) for the 2013/14 year as required by the Local Government Act 2002 in respect of Council-controlled Organisations, i.e. those organisations over which the Council has a 50 per cent or more shareholding or level of governance control.

The purpose of an SOI is to:

- State publicly the activities and intentions of a Council-controlled Organisation for the year and the objectives to which those activities will contribute.
- Provide an opportunity for shareholders to influence the direction of the organisation.
- Provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.

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

- New Plymouth Airport Joint Venture.
- Four Forestry Joint Ventures.
- Taranaki Investment Management Limited.
- Tasman Farms Limited (and its subsidiary Van Diemen's Land Company).
- Venture Taranaki Trust.

New Plymouth Airport Joint Venture



Responsibility

Manager Property Assets

Summary of 2014/15 Statement of Intent

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

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

The provision of airport infrastructure is essential to enhance the growth and economic development of the district and the Taranaki region and is an important aspect of residents' quality of life. While legally required to be operated as a business, the charges are set to cover the operating costs with only sufficient surplus to cover periodic extraordinary maintenance. No rates funding is currently required.

Apart from ongoing renewals, due to airport growth in passenger numbers a major refurbishment/upgrade work is now required in relation to the existing airport terminal building. The cost of this upgrade and along with the need to further car parking, extended aircraft parking area, sewerage and water upgrades is estimated to cost in the vicinity of \$11m over the next three years. A more detailed estimate of future capital expenditure requirements will be known later in 2014, following completion of a new 10 year Airport Master Plan.

Over the next two years, the airport should be able to fund existing loan repayments and minor planned asset renewal work. However, the airport will not be able to generate sufficient cash to fund any significant capital work (renewal or upgrades). This means that for major capital works, it is likely that funding will need to be made available by capital injection from either the joint venture partners directly and/or borrowing. Consideration will also need to be given ahead of time as to how any planned/actual deficits can best be covered by the joint venture partners if revenues are insufficient to cover the costs involved.

A strategic and financial review of the airport was completed and reviewed by the Council in August 2010. As a result of this review, the Council instructed the Chief Executive to continue to work with the Crown to clarify its stance on future operational requirements and, in light of that, what ownership and governance model might best suit the New Plymouth Airport in the longer term. Discussions have commenced, and further progress is expected to be made once the Crown position is made known to the Council by early 2015. Prior to the Crown initialling its deed of settlement with Te Atiawa in early June, the Ministry of Transport and Te Atiawa trustees entered into a Memorandum of Understanding to formalise an engagement arrangement relating to any future disposal by the Crown of New Plymouth Airport.

The resolution of these longer term capital planning issues is complicated by the imminent negotiations with the Crown partner on the future of the joint venture. Until a position with the Crown is resolved it is difficult to finally determine the best way forward on major developments or indeed how the longer term financial planning impacts are to be best addressed. It is hoped that resolution can be achieved during the 2014/15 year and appropriate strategies put in place prior to the 2015/16 year and beyond.

Key annual objectives and performance indicators

1. To provide airport facilities to serve the needs of the Taranaki region:
 - To maintain facilities to avoid any diversion or cancellation of scheduled flights other than for weather or airline problems.

New Plymouth Airport Joint Venture



Facilities have been maintained through the year and there were no diversions or cancellations of scheduled flights caused by the management of the airfield.

- To meet all operating and maintenance costs from revenue.

The operating costs, maintenance costs and partners interest costs have been met from revenue. In the 2009/10 year, the joint venture borrowed \$3.4m from New Plymouth District Council to go towards the airport runway refurbishment. The interest on this loan to date has all been met from revenue.

- Review and update the Business Plan annually to meet the airport's future development needs.

Following on from an internal strategic and financial review undertaken over 2010/11, an internal review of the Airport Joint Venture arrangements was completed by the Council in April 2012. A request was made in July 2012 to the Crown partner through the Ministry of Transport to discuss the future of the joint venture. Discussions are yet to take place but the current intention is to resolve a future way forward to enable a longer term business plan to be developed during the 2014/15 year. A new airport master plan along with concept plans for an extension of the terminal has been completed. Once final approval and funding is confirmed during 2014/15, construction is planned towards the end of the 2015 calendar year.

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

The New Plymouth Airport Joint Venture operates under the Civil Aviation Rule Part 139 and is subject to an annual audit by the Civil Aviation Authority. The audit report dated 3 June 2012 advised that the airport and rescue services were meeting standards, with no findings against the airport. The June 2013 scheduled audit was cancelled based on risk assessment and has been rescheduled for September 2014. Airways Corporation continues to provide an air traffic control service at New Plymouth that meets Civil Aviation requirements.

3. Determine new landing charges within three years.

A review of landing fees is planned to commence within the 2014/15 year.

Significant policies and obligations on ownership and control

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

Financial Plan

	Actual 2013/14 \$000	Budget 2013/14 \$000	Projected 2014/15 \$000	Projected 2015/16 \$000
Operating revenue	1,803	1,831	1,868	2,014
Operating expenditure	1,887	1,945	2,108	2,337
Net profit/(loss)	(84)	(114)	(240)	(323)

Forestry Joint Ventures



Responsibility

General Manager Business Services

Summary of 2013/14 Statement of Intent

The Council has four joint venture forestry developments that have varying levels of Council ownership (55 to 60 per cent) and are therefore deemed to be council-controlled organisations. For convenience they are covered by one 'combined' statement of intent. The woodlots will complement the harvest regime of the Council's own forestry investment activities.

Forest plantations have been established under the following agreements:

Tarata Ngatimaru Pukehou Joint Venture (60 per cent)	6.8 hectares
Ōākura Farms Limited Joint Venture (60 per cent)	37.7 hectares
McKay Family Joint Venture (56.5 per cent)	83.5 hectares
Duthie Joint Venture (54.82 per cent)	22.7 hectares

A total of 150.7 hectares of forests are managed under joint venture agreements in which the landowner provides land and property related inputs, the Council provides management and tending programmes for the crop and both parties share the returns from the forest harvest on an agreed ratio of respective inputs (revenues will not flow until 2014 at the earliest).

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

Key annual objectives and performance indicators

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

All programmes outlined in the Forestry Management Plan for 2013/14 have been completed.

2. Report annually in compliance with agreements.

All joint ventures have been inspected by the forest consultant with reports sent to owners annually.

Significant policies and obligations 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 then review its future position. There is no formal board structures.

Financial Plan

	Actual 2013/14 \$000	Budget 2013/14 \$000	Projected 2014/15 \$000	Projected 2015/16 \$000
Council funding support	33	51	52	55

Taranaki Investment Management Limited



Responsibility

General Manager Business Services

Summary of 2013/14 Statement of Intent

Taranaki Investment Management Limited (TIML) is a hundred per cent owned company with independent directors. The Council contracts TIML for the provision of an investment management role in respect of the Council's Perpetual Investment Fund (PIF), and an advisory role when requested in respect of the Council's other investments in the airport and various forestry ventures.

Key annual objectives and performance indicators

To meet its obligations in respect of the management of the PIF as set out in a contract with the Council.

To act for or assist the Council in its role as a diligent, constructive and enquiring shareholder/investor in respect of its other investments.

To protect and enhance the income streams from, and the value of, the investments.

Performance indicators

To meet the above objectives through the following means:

1. Provide a quarterly report to the shareholder providing the information outlined in the contract in respect of the Perpetual Investment Fund and the Council's other investments.

All required reports were provided in a full and timely manner to New Plymouth District Council through meetings and in writing.

2. Provide timely advice to the shareholder on any significant developments that may have an impact on the investments in terms of either the income stream to the Council or the value of the Council's investments.

Advice was provided in a full and timely manner to New Plymouth District Council.

3. Review the Council's other investments when requested and advise the Council on its position with regards to hold/growth/divestment strategies.

The Council did not request advice on its non-PIF investments during the year.

Significant policies and obligations on ownership and control

TIML was originally set up in 2000 as a purely advisory company to the Council in its various equity-based investments. It now manages the Council's PIF while still retaining an advisory role on other investments. Formal board structure with normal appointments is made by the Council.

Financial Plan

	Actual 2013/14 \$000	Budget 2013/14 \$000	Projected 2014/15 \$000	Projected 2015/16 \$000
Operating revenue/expenditure	1,420	1,557	1,596	1,636
Net profit	-	-	-	-



Principal activities

The principal continuing activity of the Company is dairy farming. No significant change in the nature of these activities occurred during the year.

Facts at a glance

	2014 \$000	2013 \$000
Sales revenue	58,303	50,142
Net surplus/(deficit) after tax	8,105	(10,324)
Shareholders' funds	133,292	136,050
Interest bearing debt (excluding tax liability)	70,395	79,938
Earnings per share (NZ cents)	9.44	(12.02)

The overall result for Tasman Farms Limited and its subsidiaries ('the Company') was a net profit after tax of NZ\$8.1m.

The trading result reflected an increase in revenue per kilograms of milk solids (kgMS) and increased production.

The average milk price for the year was over A\$7.00 per kilogram of milk solids compared to the A\$5.09 paid in 2013.

Total costs reduced by 8.2 per cent. Key variances included farm working expenses down 7.9 per cent, administrative expenses down 7.0 per cent, depreciation expenses up 4.5 per cent, employee benefit expenses down 10.0 per cent and finance costs down 6.5 per cent.

The Group has continued to implement management and policy changes aimed at providing sustainable improvements in environmental practice, animal welfare, productivity and profitability in the future. The Group is budgeting a 6.0 per cent lift in production and a profitable outcome in 2014/15.

The new season from 1 June 2014 has started well and production is within 4.0 per cent of budget levels and 12.5 per cent up on the last season.

Summary

The Company continues to move towards realising the full potential of its current farms and has budgeted to increase productivity and maintain profitability in 2015. This will be achieved through management focus on operations, cost out initiatives and higher revenue streams from increased production.

The long-term outlook for dairy farming remains positive and the 2015 performance is expected to be solid, as the company has fixed the milk price for 70.0 per cent of its production at levels over A\$6.50.



Livestock Owned

	2014	2013	% Change
Dairy cattle including replacements	29,279	29,027	0.9%
Valuation	\$38.2m	\$34.9m	+9.5%
Beef cattle	65	431	-
Sheep	87	1,038	-

Property Owned

	2014 (\$m)	2013 (\$m)
Land and Buildings	196.3	213.7
Plant and Equipment	4.7	5.3

Note. Exchange rate movements have caused variation in comparisons between 2013 and 2014 values. Much of this has been offset by hedging programmes which are separately reported in the PIF report.

Shares

Tasman Farms Limited is a privately held company and is not listed on either the New Zealand or Australian stock exchange.

Board operations and membership

The board comprises five directors: a non executive chairman, a managing director and three non executive directors. The company's constitution sets out policies and procedures on the operation of the board, including the appointment and removal of directors.

The board normally meets six times a year including once a year for an extended strategic planning meeting.

Board committees

The board has one formally constituted committee detailed as follows.

Audit and Risk Committee

The committee's responsibilities are to:

- Oversee the existence and maintenance of internal controls and accounting systems.
- Oversee the financial reporting process.
- Nominate the external auditors.
- Review the existing external audit arrangements.

Role of the board

The Board of Directors of Tasman Farms Limited the ('Company') is elected by the shareholders to supervise the management of the Company and its subsidiary companies (the 'Group'). The board establishes the Group's objectives, annual budgets and the overall policy framework within which the business is conducted. The board monitors management's performance relative to these goals and plans, and has delegated the day-to-day management of the Group to the Chief Executive.



The board has the obligation to protect and enhance the value of the assets of the Company. It achieves this through the approval of the appropriate corporate strategies, with particular regard to portfolio composition and return expectations, including the approval of transactions relating to acquisitions and divestments and capital expenditures above delegated authority limits, financial and dividend policy and the review of performance against strategic objectives.

Committees established by the board review and analyse policies and strategies, usually developed by management, which are within their terms of reference. They examine proposals and, where appropriate, make recommendations to the full board. Committees do not take action or make decisions on behalf of the board unless specifically mandated by prior board authority to do so.

The board supports the concept of the separation of the role of chairman from that of the Managing Director. The chairman's role is to manage the board effectively, to provide leadership to the board, and to interface with the Managing Director.

The composition and terms of reference of the board, the chairman, the committees and the Managing Director are reviewed annually by the board. The chairman annually assesses the effectiveness of the board and its committees.

The chairman of the board, with the assistance of the Managing Director, establishes the agenda for each Board of Directors meeting.

Performance against Statement of Intent targets

The Statement of Intent issued by Tasman Farms Limited last year in respect of the 2013/14 financial year included several performance measures including cows milked, hectares in production, and kilograms of milk solids produced.

	Actual 2013/14	Budget 2013/14	Projected 2014/15	Projected 2015/16
Milk production (kgMS)	6.7m	7.0m	7.1m	7.3m
Effect dairy area (hectares)	7,124	7,124	7,124	7,124
Peak cow numbers	19,067	18,500	18,425	18,425

The Group milked 19,067 cows on 25 farms having a total effective area of 7,124 hectares for total production in the year ended 31 May 2014 of 6.7m kgMS. The new "Newlands" farm commenced milking during the year. (2013: milked 18,500 cows on 24 farms having a total effective area of 6,769 hectares for production of 6.25m kgMS).

Venture Taranaki Trust



Responsibility

Group Manager Strategy

Summary of 2013/14 Statement of Intent

Venture Taranaki Trust is the economic development agency for the New Plymouth District and was incorporated under the Charitable Trusts Act 1957.

Since 1 July 1998, the Trust has been solely responsible for delivering New Plymouth District Council's economic development initiatives. From 1 July 2004 Venture Taranaki acquired responsibility for regional tourism promotion. The Trust is now a Council-controlled Organisation of the New Plymouth District Council.

Venture Taranaki Trust's objectives as stated in the Trust Deed are to:

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

Performance targets

1. Team: Maintain a regional economic intelligence unit and undertake one Team Taranaki submission on key regional issue..

Achieved. Second business survey for 2013/14 year undertaken in quarter four. 2013/14 year activity - two business surveys, two editions of Taranaki Trends and Venture Taranaki submission to Parliament on regional investment.

2. Team: Maintain connections across www.taranaki.info and social media channels (all themes and priority areas).

Achieved. Venture Taranaki maintained and further developed its www.taranaki.info website over quarter four, while also utilising its social media channels (including Facebook and Twitter) on a regular basis to connect with stakeholders, clients and other interested parties.

3. Gateway: Support one gateway project per year.

Achieved. Worked with businesses and stakeholders in ultra fast broadband to ensure access to 21st century communications infrastructure. Contributed to government's roading infrastructure plans of economic importance to the region.

4. Foundation: Facilitate \$500,000 investment into regional business subject to central government policy.

Achieved. Venture Taranaki facilitated total investment of research and development investment into regional businesses in 2013/14 year to \$1,963,383.



5. Foundation: Achieve >80 per cent client satisfaction in regard to business support services.
Achieved. Satisfaction survey of clients receiving business support services in 2013-14 year found 90.2 per cent of respondents either satisfied or very satisfied with business services.
6. Foundation: Support two key wealth creating industry groups.
Achieved. Venture Taranaki provided support into both Oil and Gas Specialist Technologies Group and oil, gas and energy sector.
7. Frontier: Support one project with high impact potential aligned with the regional growth agenda.
Achieved. Researched and published "The Potential for Horticultural Development in Taranaki".
8. Talented: Invest \$140,000 in management capability building for Taranaki SMEs.
Achieved. 2013/14 year total investment \$331,502.
9. Desirable: Attract or retain five major events meeting New Plymouth District Council criteria (>100 points) based on \$850,000 event fund.
Achieved. ITU World Cup Sprint Distance Race, Powerco Taranaki Garden Spectacular, 2014 NZ Home Loans Surf Fest, Lionel Richie/John Farnham.
10. Desirable. Provide a minimum of six pieces of regional collateral to inspire the communities of Taranaki.
Achieved. Official Visitor Guide for Taranaki, forgotten World Highway, Surf Highway 45, Taranaki Parks and Gardens, Taranaki Museums and Galleries and Taranaki - A Walkers Guide.

Financial Plan

	Actual 2013/14 \$000	Budget 2013/14 \$000	Projected 2014/15 \$000	Projected 2015/16 \$000
Operating expenditure (NPDC funded)	2,750	2,750	2,705	2,770





Section 5 *Your Council*

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Mayor and Councillors



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Councillor
John McLeod
New Plymouth City Ward
p 758 3269
e john.mcleod@npdc.govt.nz



Councillor
Marie Pearce
South-West Ward
p 756 7977
e marie.pearce@npdc.govt.nz



Councillor
Howie Tamati
New Plymouth City Ward
p 751 1220
e howie.tamati@npdc.govt.nz

Community Board Members



CLIFTON COMMUNITY BOARD

Ken Bedford (Chairperson)
p 752 3801
e kennyb.major@xtra.co.nz

John Hill
p 752 3861
e john44hill@gmail.com

Judy Ransom JP
p 752 3533
e judithr11@slingshot.co.nz

Elaine Selby
p 752 5944
e geselby@farmside.co.nz

INGLEWOOD COMMUNITY BOARD

Phillip Rowe (Chairperson)
p 756 8055
e pandjrowe@actrix.co.nz

Jenny Bunn
p 756 8007
e jenny@taranakiarcourts.co.nz

Donald McIntyre
p 762 4701
e donald.mcintyre@xtra.co.nz

Kevin Rowan
p 756 7607
e kevin@rowans.net.nz

KAITAKE COMMUNITY BOARD

Doug Hislop (Chairperson)
p 752 7324
e douglashislop@gmail.com

Paul Coxhead
m 027 505 0520
e p-p-coxhead@xtra.co.nz

Mike Pillette
p 752 7059
e mikelynn@xtra.co.nz

Keith Plummer
p 752 7050
e keithplummer@clear.net.nz

WAITARA COMMUNITY BOARD

Joe Rauner (Chairperson)
p 754 8623
e joescycles@xtra.co.nz

Trevor Dodunski
p 754 7157
e gaelandtrevor@farmside.co.nz

Andrew Larsen
p 754 4942
m 021 078 4562
e thelarsens@slingshot.co.nz

Bill Simpson
p 754 4201
e wsimpson@xtra.co.nz

Council Committee Structure



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

Committees and their objectives

Monitoring Committee

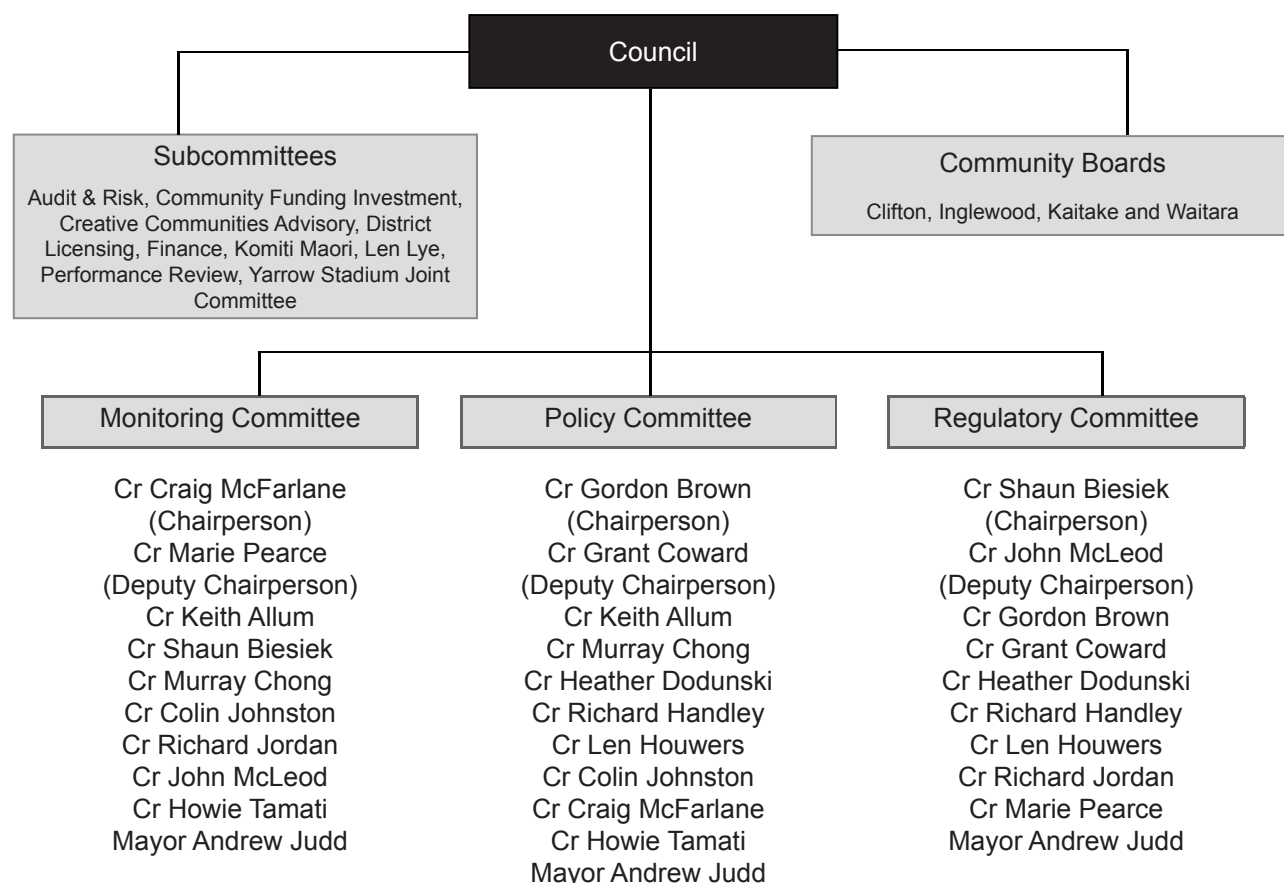
Ensures effective and efficient implementation of the Long-Term Plan, Annual Plan, Annual Report, delivery of services and asset management in accordance with the approved plans and policies. Monitors the Council's performance, progress and financial position against, and ensures all activities comply with, legislation, strategies, policies and plans.

Policy Committee

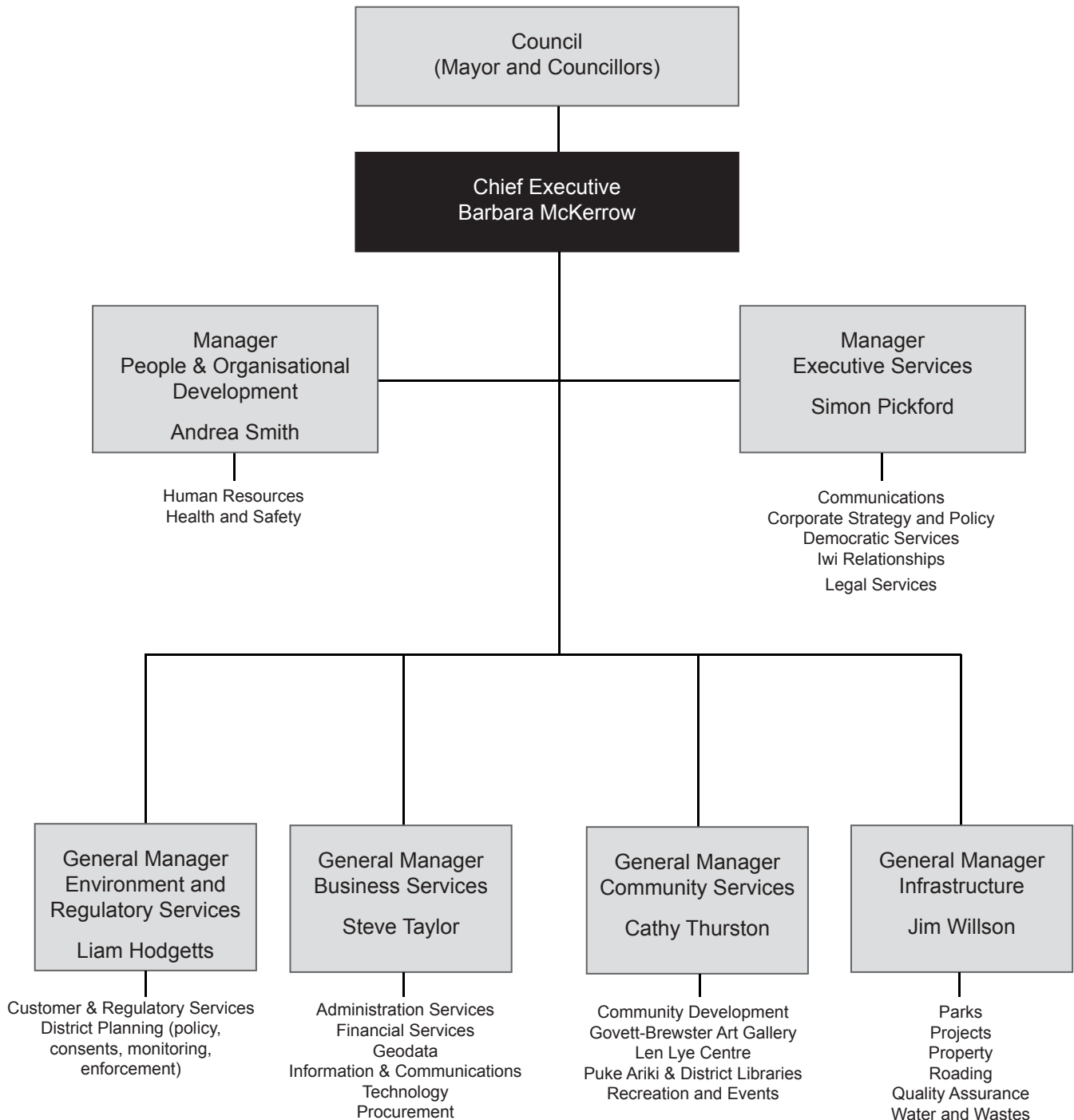
Develops strategies, policies and plans for the Council to promote the district's community outcomes and priorities and considers matters that are not the function of another committee.

Regulatory Committee

Ensures effective and efficient exercise of statutory regulatory functions, implementation of the District Plan and enforcement of the Council's bylaws under, but not limited to, various Acts, Regulations and Policies. Oversees, coordinates and directs the development and, where appropriate, the review of the District Plan.



Organisational Structure



COUNCIL SERVICES CONTACT DETAILS

CUSTOMER SERVICES CALL CENTRE

Telephone 06-759 6060 (one number for all Council services).

All enquiries 24 hours, seven days per week.

Civic Centre

Liardet Street, Private Bag 2025, New Plymouth 4342

Facsimile: 06-759 6072

Monday to Friday 8.00am to 5.00pm

Bell Block Library and Service Centre

Parklands Avenue, Bell Block 4312

Monday, Wednesday, Friday 9.00am to 5.00pm

Tuesday, Thursday 9.00am to 6.00pm

Saturday 9.00am to noon

Inglewood Library and Service Centre

Rata Street, Inglewood

Monday, Tuesday, Thursday 9.00am to 5.00pm

Wednesday and Friday 9.00am to 6.00pm

Saturday 9.00am to noon

Waitara Library and Service Centre

17 Queen Street, Waitara

Monday, Wednesday, Friday 9.00am to 5.00pm

Tuesday, Thursday 9.00am to 6.00pm

Saturday 9.00am to noon

Online information

Internet address: www.newplymouthnz.com

Email: enquiries@npdc.govt.nz