



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

# ANNUAL REPORT

## 2023/24



# **Welcome to NPDC's Annual Report for 2023/24**

**Naumai ki te Pūrongo ā-tau o NPDC mō 2023/24**

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

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

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



# Contents / Ngā Rārangi Take

## Introduction / Kupu Whakataki

Mayor's Message .....	2
Chief Executive's Message.....	3
About this report.....	4
12-month snapshot.....	5
Our performance .....	7
Delivering on our district's priorities .....	9
Working together with Māori .....	12
Financial summary.....	14

## Council Services / Ngā Ratonga ā te Kaunihera

Introduction to Council Services .....	18
Community Partnerships.....	20
Customer and Regulatory Solutions .....	23
Economic Development .....	27
Emergency Management and Business Continuance .....	30
Flood Protection and Control Works .....	34
Governance .....	36
Govett-Brewster Art Gallery/Len Lye Centre .....	39
Management of Investments and Funding .....	42
Parks and Open Spaces.....	45
Puke Ariki and Community Libraries.....	48
Stormwater Management.....	52
Transportation.....	55
Venues and Events.....	59
Waste Management and Minimisation .....	62
Wastewater Treatment .....	66
Water Supply.....	69

## Financial Statements / Ngā Tauāki Pūtea

Financial Statements.....	74
Notes to the Financial Statements.....	79
Funding Impact Statement.....	146
Disclosure Statement.....	147

## Council Controlled Organisations / Ngā Tōpūtanga Mā Te Kaunihera e Whakahaere

Forestry Joint Ventures .....	152
New Plymouth PIF Guardians Limited .....	153
Papa Rererangi i Puketapu Limited.....	155
Venture Taranaki Trust .....	157

<b>Auditor's Report / Pūrongo Kaiarotake Pūtea.....</b>	<b>160</b>
---	------------

<b>Statement of Compliance and Responsibility / Te Tauāki Tūtohu me Takohanga .....</b>	<b>164</b>
---	------------

# Mayor's Message

## Te Karere ā te Māngai ā-Kaunihera

---

Economic and political change is now a constant in the post-Covid era, but the pace of change revved up in the last financial year.

Global inflation was unrelenting, especially for councils around the country, which have faced a 27 per cent rise in civil construction costs since 2020. Like homeowners, our borrowing costs are up from around three per cent three years ago to around five per cent, meaning our interest costs have risen by about 60 per cent while we make vital investments in our core infrastructure and plan for climate change as well as other contingencies.

The change of government in Wellington has meant more exacting expectations on local government as subsidies for our road maintenance and our other functions are pared back, forcing us to re-examine our priorities and investments ever more closely.

Our focus continues to be on getting the basics right, starting with a council-wide refresh and a new structure that focuses on operational excellence and delivering what our residents want.

We maintained our record of fiscal prudence with international credit ratings agency S&P Global praising our “robust financial management” when it renewed NPDC’s AA+ credit rating. Our ability to manage budgets and debt despite increased capital costs was helped by the performance of our Perpetual Investment Fund (PIF) which offset rates by about \$12 million over the 2023/24 financial year.

Amid the economic challenges, it’s easy to overlook how our vision for a Sustainable Lifestyle Capital is increasingly important as Aotearoa transitions away from oil and gas and Taranaki’s existing reserves expire. To offset the economic decline this is bringing, we need to create and maintain a quality of life and environment that draws and keeps people, talent and investment. This effort was recognised with New Plymouth named the country’s Most Beautiful Small City at the Beautiful New Zealand awards in November.

Construction started on the first stage of Te Pae o te Rangi (the Waitara to Bell Block Walkway extension of the Coastal Walkway) at Otupaiia Marine Park. Working closely with four hapū, we’ll aim to complete the 10-kilometre extension in the next three years. This is the largest of a series walking and cycling connections taking shape across the district.

Our commitment to become the first New Zealand city to have 10 per cent of our urban area covered with native vegetation saw another 2.18 hectares of land planted, exceeding the annual target of 1.7 ha.

Our \$248m investment in Fixing our Plumbing over 10 years continued with working starting on a \$12m programme of repairs to the water, wastewater and stormwater networks in New Plymouth, Waitara, Ōākura, Urenui and Inglewood.

We’re working with our neighbours in Stratford and South Taranaki to use our collective strength to find further efficiencies for our three waters networks under the new government’s Local Water Done Well plan and together Taranaki’s three district councils approved a new waste contract to improve services at rural transfer stations and household rubbish and recycling collections.

For all that, our residents still faced an average 12.4 per cent rates rise (including targeted rates) in the last financial year. That, along with the other considerations, fed into another major piece of work, our 10-Year Plan for 2024-2034.

As well as investment to future-proof our infrastructure, this looks at how we could help our hard-pressed residents through more support for economic growth and creating scholarships and cadetships to help our rangatahi into work.

It also identified potential savings that we can investigate in services such as traffic management and using returns from the PIF more strategically by boosting our Disaster Recovery Reserve and creating a Sustainable Lifestyle Capital Reserves to help fund future projects.

This prompted some robust feedback from our residents, which was welcome and considered around the Council table as we decided what was in and what was out.

Just as importantly, like this Annual Report, it reminds us that we need to keep focused on the bottom line and on what we can and should deliver for our residents within our tightened means.

Neil Holdom. Mayor



# Chief Executive's Message

## Karere ā te Tumu Whakarae

---

The last financial year was another tough year for NPDC, and councils around the motu, as well as for our residents. We set a broad aspiration in our 10-Year Plan (2021-2031) to manage the impact of a challenging global economy, while continuing to develop our Sustainable Lifestyle Capital – a place where our children will want to live, work, learn and play – but global inflation continued to be a major challenge.

With rising costs effectively shrinking budgets across the board, from construction materials and capital costs to insurance, the 2023/24 year started with our residents facing an average 12.4 per cent rates rise (including targeted rates). We ended with a general rates deficit of \$5.5 million, which compared with the \$1.35m in 2022/23.

With the unsustainability of this in mind, we carried out a comprehensive review of our organisation's structure, and the way that we operate. This resulted in reducing the number of positions by 73 and achieving around \$7m saving in operating costs for the next financial year 2024/25. This puts us on target, and we are confident in meeting our target of a \$10m operational savings target next financial year.

We have been able to achieve this without impact on our levels of service or activities provided to our communities. We also emerged with a structure better able to improve performance and adapt to a range of central government reforms and funding decisions.

The main focus of our \$341m budget was delivering on our core services, including a \$9m investment in new pipes and roading infrastructure to help our district grow and continuing to Fix our Plumbing with \$9.3m spent renewing 9km of drinking water, stormwater and sewer pipes.

Our rollout of water meters to all 29,300 homes and businesses hit 63 per cent and has started paying dividends. So far, they've helped us to find and stop 800 cubic metres of leaking water daily – a significant amount of the 33,200 cubic metres we supply each day – and meant we were able to avoid a \$4m investment to upgrade pump station and pipeline to keep up with water demand in the Urenui-Tikorangi area. We will be working towards what a future water billing system may look like over the next financial year.

While Taranaki's three district councils approved a new waste contract to improve services at rural transfer stations and residential rubbish and recycling collections, we also opened the Sorting Depot on Colson Road, making it easier and cheaper for local businesses to dispose of commercial waste. Since opening the venue had sorted and processed more than 3,500 tonnes of waste by the end of June.

Another major job was our 10-Year Plan (2024-2034) detailing our \$4.5 billion work programme for 2024-2034. This attracted 3,500 pieces of feedback which all had to be considered along with balancing the cost of each proposed investment against making our district a home for future generations.

Our 10-Year Plan was also a great example of our deeper engagement with tangata whenua. Iwi and hapū made valuable contributions from the outset and we have also made progress in strengthening their planning expertise and administration to support timely responses in resource consent processes. The recruitment of a new General Manager, Te Tiriti Partnerships will further help us meet our obligations in respect to Te Tiriti o Waitangi.

All this helps us to balance our priorities when delivering for our residents. An independent community survey conducted in April/May saw satisfaction in five core service areas – parks, water supply, rubbish collection, stormwater and roads – exceed the benchmark for similar-sized councils, while Puke Ariki Museum and Library and our community libraries recorded significant rises in public satisfaction.

This report outlines how we tracked against the 113 non-financial measures and it's pleasing to see we are on target with 84 of these and have substantially achieved another nine. The remaining 20 were not achieved due to a variety of reasons such as high staff turnover for building and resource consents and ongoing post-Covid challenges.

These benchmarks also show that we need to do better in accounting for how we spend your rates money and in earning your confidence. This will continue to stay top of our minds as we navigate the challenges of the 2024/25 financial year.

Gareth Green, Chief Executive



# About this report

## Kōrero e pā ana ki tēnei pūrongo

### Welcome to NPDC's Annual Report for 2023/24

### Naumai ki te Pūrongo ā-tau o NPDC mō 2023/24

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

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

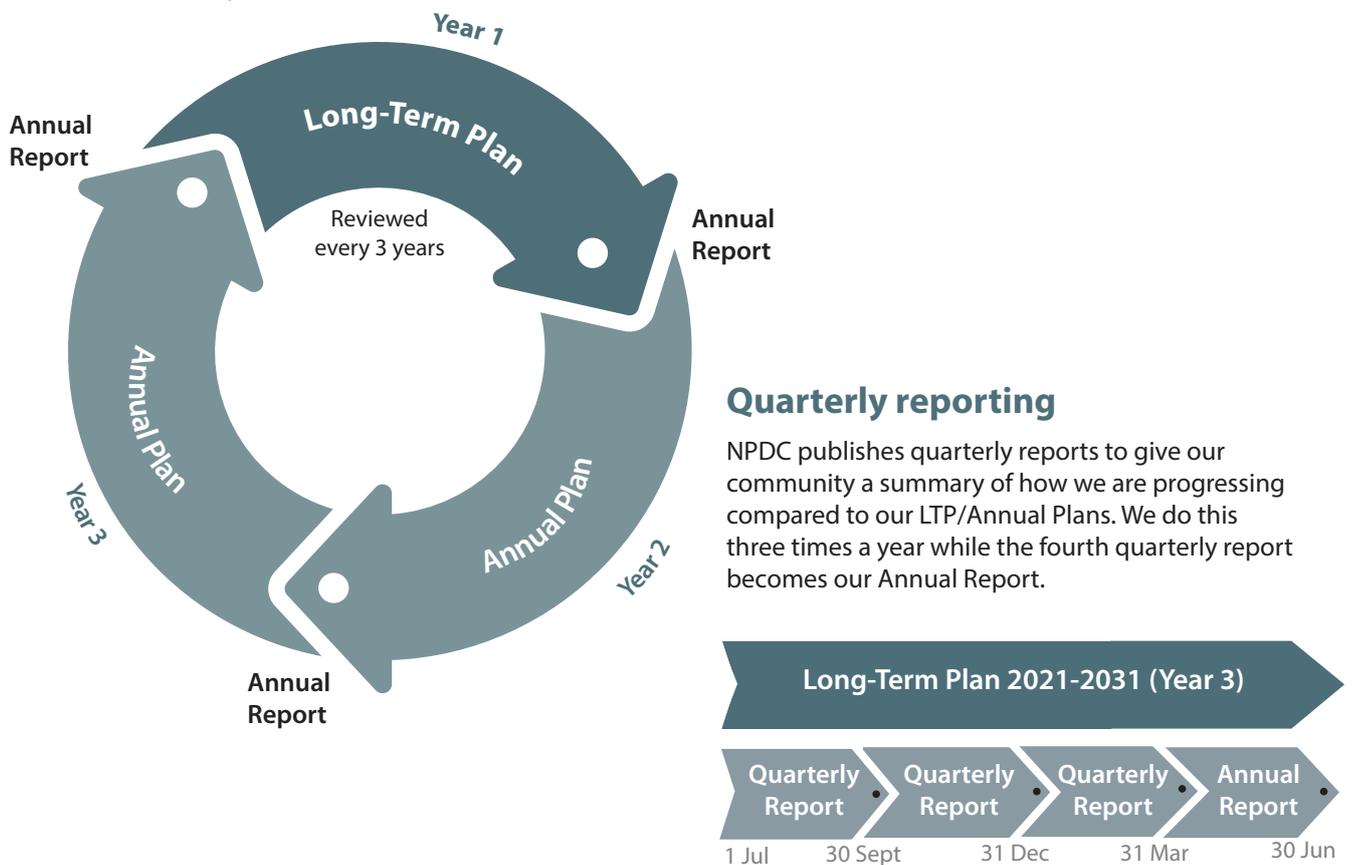
The report is divided into the following sections:

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

Under the Local Government Act 2002, all councils must produce an Annual Report and have certain information audited. Audit New Zealand has successfully completed this audit and their opinion can be found on page 160.

### Being accountable to our community

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



# 12-month snapshot

## Ngā hopu o te tau

### July 2023

Community planting day at Fitzroy's Peringa Park kickstarted a three-year project to fence and plant 2.5 hectares of wetland and semi-coastal forest.



### August 2023

For the first time we held a council meeting at a local marae with the historic Owae Marae the venue. It marked a new chapter in NPDC's iwi relations.



### September 2023

The Sorting Depot opened in Colson Road. This commercial waste sorting facility is making it easier, cheaper and greener for local businesses to dispose waste and in its first year helped divert around 1,300 tonnes of commercial waste from the landfill and processed more than 3,500 tonnes.



### October 2023

Iconic Te Rewa Rewa Bridge reopens after a 55-week repaint.



### November 2023

Pukekura Park picks up its 11th Green Flag in a row, marking it as one of the world's best parks.



### December 2023

Work started on a \$12m programme of repairs to the water, wastewater and stormwater networks in New Plymouth, Waitara, Ōākura, Urenui and Inglewood.



# 12-month snapshot

## Ngā hopu o te tau

### January 2024

About 175,000 visitors attended TSB Festival Lights for the 2023/24 summer season injecting \$9.2m into the Taranaki economy during summer.



### February 2024

Water meters paid off with significant leaks identified and fixed meaning a planned \$4m upgrade of the pump station and pipeline servicing Urenui-Tikorangi could be put on hold.



### March 2024

Major repairs to Okau Road, inland from Ahititi completed with two retaining walls near the Kiwi Road intersection now in place.



### April 2024

A broken and disused dam downstream from Lake Mangamahoe causing erosion and damage to the river corridor environment, was successfully removed.



### May 2024

New exhibition and book cements Len Lye's place in NZ contemporary art. The opening of Motion Compositions at NPDC's Govett-Brewster Art Gallery/ Len Lye Centre coincided with the launch of a collection of writings about the famed artist.



### June 2024

First two shows announced for the Bowl of Brooklands 2024/25 summer concert series including the return of reggae royalty L.A.B to the venue to headline a line-up of local artists including Stan Walker and the Timeless Summer Tour featuring Boy George, Bonnie Tyler and Little River Band.



# Our performance

## Ō mātou whakaaturanga

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

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

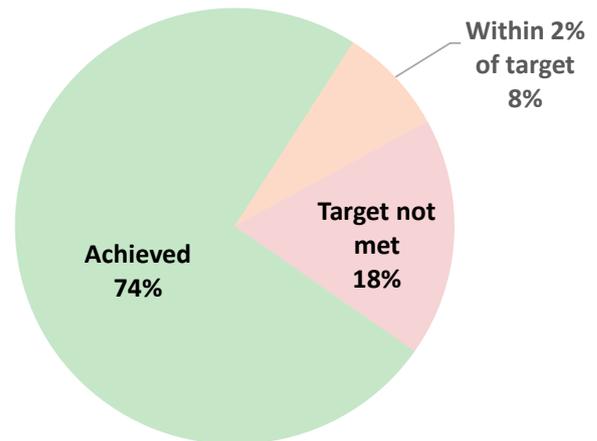
We have 113 non-financial performance measures set through the LTP 2021. At the request of Audit a number of small changes have been made in reporting. Flood Protection and Control Works has been split into three measures, with an additional satisfaction measure being reported on for each of the Stormwater Management, Wastewater Treatment and Water Supply services. These measures, the targets against each, and the results for the past year, are set out in the 'Council Services' section of this Annual Report.

This year:

- We achieved the target for 84 measures.
- We substantially achieved the target for 9 measures.
- We did not meet the target for 20 measures.

The 20 performance measures that we did not achieve this year, and the nine we substantially achieved were due to a variety of reasons including:

- A low awareness about advice and support we provided to community groups.
- Delays with responding to formal complaints.
- High numbers of building consent applications and resource consent staff turnover.
- Changes in central government policy related to business investment grants.
- Ageing aquatic facilities, ongoing post covid challenges and weather events.
- Delayed opening of the Sorting Depot and an abatement notice for a possible leak in the Colson Road liner.
- Complaints regarding the waste management and minimisation service.
- An infringement notice for ponding of septic tank effluent at Urenui.



# Our performance

## Ō mātou whakaaturanga

### Services at a glance

The services we deliver all help to achieve our district's strategic vision of a Sustainable Lifestyle Capital.



**33.2m litres**  
of water per day  
supplied to

**29,300**  
households and  
businesses in defined  
urban and rural areas



**1,285 km**  
of roads

51%  
community satisfaction



**521 km**  
footpaths

94%  
in good or excellent  
condition



**11,319**  
registered dogs

87%  
community satisfaction  
with animal control  
activities



**49**  
playgrounds

94%  
community satisfaction



**21**  
sports grounds

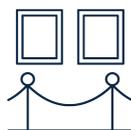
95%  
community satisfaction



**862**  
events provided  
across all venues

with

**304,178**  
attendees



**10**  
exhibitions

with

**87,442**  
visitors per year



**10,757**  
average customers  
per week to Puke Ariki  
and Community Libraries



**52**  
public toilets

83% community  
satisfaction



**384,760**  
pool patrons

94%  
community satisfaction



**304 kg**  
of landfill waste  
generated per capita



**25m litres**  
of wastewater  
each day servicing

**30,917**  
properties  
91%  
community satisfaction



**312 km**  
of stormwater pipes with  
**32,205**  
connections

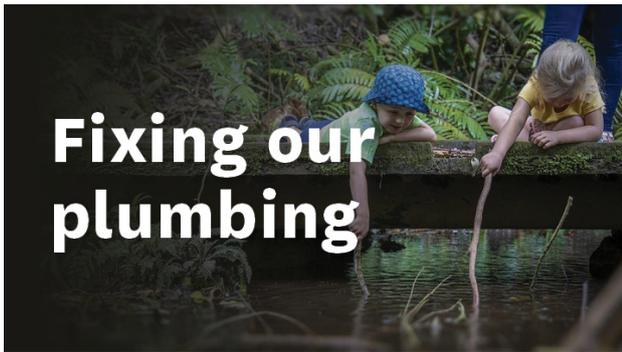
90%  
community satisfaction

# Delivering on our district's priorities

## Te whakataki o ō mātou whakaarotau ā-rohe

LTP 2021 outlined the key challenges facing our district. For the 2023/24 year population growth was addressed through the provision of growth infrastructure (we delivered \$12.93m growth capital expenditure of the \$11.1m planned in the LTP 2021) along with receiving 23 appeals on the Proposed District Plan Decisions Version released on 13 May 2023. There were continuing ongoing impacts on the capital expenditure work programme deliverability as a result of ongoing supply chain disruptions and high inflation pressures. While Council continued to respond to the Three Waters reform programme of central government, on 14 December 2023 the Coalition Government signalled repeal of the Water Services Reforms. On 13 February 2024 the Water Services Acts Repeal Bill was passed under urgency returning the three waters services (stormwater, wastewater treatment and water supply) back to Council with transitional provisions related to Long-Term Plan 2024-2034 (LTP 2024).

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



### Fixing our plumbing

#### Looking after our existing assets

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

This last year we spent \$9.3m renewing 9,000 metres of pipes across the district. We spent \$0.74m lining 1,735 metres of pipe to extend their life and \$0.37m conducting 21,614 metres of CCTV inspections the wastewater and stormwater network.

Design work was completed for a range of stormwater and sewer replacements throughout the district, ensuring that we have projects shovel ready for 2024/25.

#### Conserving your water

Approximately 16,000 meters (63 per cent) were installed by 30 June 2024 and forecasted to reach 23,500 (92 per cent) by 30 June 2025. Analysis of the data obtained from the readings of installed meters identified and resolved leakage of 800m<sup>3</sup>/day by 30 June 2024 (equivalent to the daily amount of water Ōākura uses). Leakage identified and resolved in Tikorangi resulted in the avoidance of \$4m capital expenditure to upgrade the pump station and trunk main.

#### Improving stormwater management in Waitara

We have focused on three projects this year - Tangaroa Stream, Upper Waiari catchment and a wider Waitara Catchment Management Plan.

The Tangaroa Stream Restoration Project (co-funded by Ministry for the Environment) has involved extensive cooperation with local hapū and will reduce flooding in this area. Extensive vegetation clearance and exotic tree removal has been undertaken in the upper reaches from Armstrong Avenue to North Street, Waitara including across Owae Marae. Planning, consultation with stakeholders, design, and consenting is well progressed for the upper Tangaroa. Contracts are now in place for works which will include removal of collapsed stormwater piping, pond desilting, stream realignment, extensive planting, and boardwalk installation between schools.

The first stage of the Upper Waiari stormwater upgrades project has been completed in partnership with NZ Transport Agency Waka Kotahi as part of the Princess Street/SH3 intersection upgrade providing cost savings and minimising disruptions. This involved installing a stormwater pipe from Princess Street to the Waitara River that will divert flood flows from the Upper Waiari catchment and alleviate risk of flooding in the wider catchment. A pipeline between the intersection of Rahiri Street and SH3 also was installed earlier this year.

A draft Waitara Stormwater Catchment Management Plan has been created this year in partnership with mana whenua.

# Delivering on our district's priorities

## Te whakataki o ō mātou whakaarotau ā-rohe



### Greening our place

#### Extending our tracks and trails network

Progress has been made through the 2023/24 year on a number of tracks and trails network projects.

Te Pae o te Rangi (the Waitara to Bell Block Walkway extension project) is underway with construction starting on stage 1 at Marine Park – Otupaia, then working its way along West Beach to Brown Road. Through a co-design process with four hapū, Council is progressing with the detailed design, consenting and construction across multiple stages, aiming to complete the 10km extension in the next three years.

The Kaitake Trail project is on hold and has not been included in the LTP 2024-2034 due to cultural and ecological values associated with the landscape in which the project is located and the impact on those of the proposed trail.

The Taranaki Traverse Waiwhakaiho section has established a working group that includes the two iwi and six hapū that have relationships with this awa. The intent is to establish co-created principles and scope of work for the establishment of a corridor of restored riparian margin and connections (including shared paths and walkways) along the 30km of the Waiwhakaiho corridor, providing Maunga to sea links.

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

#### Rolling out our Climate Action Framework

In September 2023 the Council adopted its District-wide Emissions Reduction Plan. The Plan sets a target of net zero carbon emissions by 2050, with annual targets.

The Council then put in place an immediate action to reduce our emissions through improving the gas capture system at Colson Road landfill, our single biggest emission source. This simple action significantly reduces the release of methane at the closed landfill while the emissions naturally reduce over the coming decades.

We undertook feasibility studies into fuel switching three of our boilers in the Civic Centre, Govett-Brewster Art Gallery/Len Lye Centre and Puke Ariki so that they can be replaced with low or no emission alternatives in coming years.

We also finalised our second emissions inventory, although for the 2021/22 year. While this showed a significant increase in emissions from our 2017/18 previous inventory, it showed that the increase was primarily a result of our increased capital works programme, while our energy consumption in our operations continues to decrease. Part of our District-wide Emissions Reduction Plan is to undertake emissions inventories annually, and we have committed resources to improve our reporting processes to becoming more timely.

Internally, the Council moved the Climate Action Framework from being completed as a project to instead establishing a new permanent team dedicated to improving climate change planning and response. Along with this, we agreed, following community consultation on our LTP 2024, to fund climate change planning as a business-as-usual activity, establish a new sustainability accelerator fund and trial a high-frequency bus service. This also included agreeing to develop a Climate Change Adaptation Plan in 2024/25, and to provide climate-related financial disclosures in future annual reports.

# Delivering on our district's priorities

## Te whakataki o ō mātou whakaarotau ā-rohe

### Planting Our Place

Progress continued at pace on delivery of the Council's vision for being the first City in New Zealand to achieve 10 per cent urban habitat cover. The 10 per cent target comes from the National Policy Statement for Indigenous Biodiversity. The aim is to plant 34 hectares of urban reserve land over a 20-year programme of work, with the first 10 years/17 ha funded through Council's LTP 2021. This means a target of 1.7 ha per year over the first 10 years of the programme.

The work programme for the last year has included ongoing maintenance of 7.47 ha of planting carried out over the past three years. This included 3.57 ha planted directly through Planting Our Place over the previous two years and maintenance of a further 3.9 ha planted by hapū entities on Council administered reserve land, but initially Crown funded/established through Jobs for Nature/Kaimahi for Nature funding.

We also prepared for and planted an additional 1.85 ha of land in 2023/24 through Planting our Place (Peringa Park Stage Two (0.8 ha), Centennial Park Stage Two (0.25 ha), Inglewood Wetland and Riparian Margins (0.75 ha) and Rimu Street (0.05 ha). In addition, we supported a further 0.33 ha of Crown funded Jobs for Nature/Kaimahi for nature planting in Council's reserves, bringing the total additional planting for the year up to 2.18 ha for 2023/24.

In its first three years of operation Planting Our Place has directly achieved a total of 5.42 ha of new planting and has supported hapū entities with the planting of a further 4.23 ha. Total new planting in reserves over the past three years is therefore 9.65 ha. This figure does not include numerous small plantings and renewals, carried out by Parks Operations as part of routine parks maintenance and management.

Much of the work has included working alongside hapū, schools, community groups and local communities. Public and school plantings were carried out this year at Peringa Park, Joe Gibbs grazing area in Inglewood and Centennial Park.

The Te Korowai o Tane grants panel awarded six grants totalling \$18,000. Groups receiving grants were Te Rau O Rongo Charitable Trust, St Joseph's School Waitara, Te Pi'ipi'inga Kākano Mai I Rangīātea Inglewood Community Childcare Centre, Waitara Central School and Manukorihi Intermediate School.



### Building a multi-sport hub

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

Concept design and planning for the Hub has continued with Ngāti Tūparikino, Ngāti Te Whiti and Sport Taranaki. Project planning continued with a focus towards the indoor stadium with the scale and complexity of the project. The project was included in the LTP 2024 and is scheduled to start construction in late 2025.

# Working together with Māori

## Mahi ngātahi i Ngāi Māori

---

It was a significant year working with Māori and the wider community in the lead up to our LTP 2024. Council continued to actively engage with hapū and iwi groups to ensure a continued focus on kaitiakitanga and strong Māori participation in our place making and decision-making processes. We provide highlights for 2023/24 below.

### Long-Term Plan (LTP) pre-engagement with hapū groups

NPDC invited LTP 2024 pre-engagement with hapū groups from August to October 2023.

Ko ngā hapū o Te Atiawa iwi took the opportunity to participate as follows: Ngāti Rahiri, Otaraua, Manukorihi, Puketapu, Ngāti Tawhirikura, Pukerangiora, and Ngāti Te Whiti. Hapū aspirations were reported back to elected members at workshops and to Council's December 2023 meeting. Some hapū and iwi groups, along with Ngā Kaitiaki were active submitters during formal consultation for the LTP 2024.

### Ngā Kaitiaki

Ngā Kaitiaki approved its new Terms of Reference to work with Council officers on district-wide environmental policy and planning matters. Highlights for 2023/24 included Ngā Kaitiaki input to our Development and Financial Contributions Policy, Freedom Camping Bylaw and the LTP 2024.

Ngā Kaitiaki had a significant programme of work identified but have also responded to other NPDC kaupapa outside of the work programme.

### Ngā hapū and iwi resource consenting support

Council implemented 2023/24 RMA capacity funding to make independent planning expertise and administration resource available to support hapū and iwi groups' input to consent applications. Council has a Funding Contribution Agreement with Te Tōpuni Ngārāhu to provide planning expertise when requested by mana whenua. The agreement will be reviewed after 12 months.

The Funding Contribution Agreement is intended to support timely responses from hapū groups to resource management processes and going forward, to develop streamlined processes for hapū input to consent applications.

### Waitara Spatial Plan

The Waitara Spatial Plan development is being progressed in partnership with Te Kōwhatu tū Moana Trust. This will provide a 30 to 50 vision for the Waitara community that forms the basis for coordination of decision-making, infrastructure, services and investment. The work has been started and consultants appointed with the work progressing over the coming year with completion scheduled for August 2025.

### Otupaia

Work continued with the staged implementation of the concept for Otupaia – Marine Park that was developed with the community and in partnership with Te Kōwhatu tū Moana Trust. Other than the skate park (funded through better off funding), budget for implementation has been generated from external funding partners.

### Te Rewa Rewa Reserve

Partnership and co-design in the development of Te Rewa Rewa Reserve continued through engagement and input from Ngāti Tawhirikura Hapū and the decision-making of Te Rewa Rewa Reserve Working Party. Co-design has been undertaken for implementation of phase one works on site that support the aspirations of Ngāti Tawhirikura Hapū with detailed design completed and planning for delivery to commence.

### Rohutu

Council's focus for the Rohutu Block for 2023/24 was to consider how to best support the Rohutu Block Trustees moving forward with their managed retreat process. The Rohutu Block experienced further significant coastal erosion during 2023/24.

# Working together with Māori

## Mahi ngātahi i Ngāi Māori

### Better off funding – Department of Internal Affairs

#### Te Whakapuāwai Taiao Scholarships

NPDC administered better off funding from the Department of Internal Affairs to support Māori capacity building. NPDC's Te Whakapuāwai Taiao Scholarships were granted for the first time early in 2024. Four recipients who whakapapa to local iwi and hapū groups were awarded fees scholarships for tertiary studies in environmental and resource planning qualifications. The aim of the scholarship is to have more hapū and iwi practitioners to uphold kaitiakitanga and participate in NPDC environmental and resource management decision-making processes.

#### Te Matatini

NPDC also used better off funding to support development of the business case setting out what is needed to ensure success for Te Matatini 2025, including positions funded for Te Aranga to carry out engagement and coordinator working in the Council's Events Team.

### Funding and grants

NPDC remains committed to providing grants to Māori for the purposes of marae development, urupā maintenance and resource management services. In the financial year 2023/24, both the Manaaki Urupā and Marae Grants saw significant demand. A substantial portion of the Marae Development Grant was allocated to cover rising insurance costs for marae within the rohe, as well as funding essential repairs to ngā marae - Te Kohanga Mōa, Kairau, Te Upoko o Te Whenua, and Okorotua. Additionally, the Manaaki Urupā Grant facilitated maintenance efforts for seven urupā trusts, addressing critical upkeep needs.

The Whanake Grant successfully generated uptake by Māori in 2024 and was over-subscribed with five eligible applications for a total request of \$65,000. Te Huinga Taumatua will allocate \$20,000 funding in September 2024.

### Internal Capacity

A highlight for 2023/24 was the successful recruitment of our new General Manager, Te Tiriti Partnerships. Providing strategic capability for relationships development with iwi and hapū groups, our new General Manager will help to guide Council's contributions to the achievement of Māori wellbeing aspirations and outcomes for the district. Key to ensuring Council meets its obligations to Māori in respect of Te Tiriti o Waitangi, the General Manager provides oversight for the Iwi Relationships Team, Governance Team and cultural experiences services at the Puke Ariki Museum, Community Libraries and the Govett-Brewster Art Centre/Len Lye Centre.

In March 2024, our Executive Leadership Team, Te Ranga Urungi approved our Te Tiriti Partnerships Strategy where our staff will actively bring Te Tiriti principles of partnership, protection and participation into the way we work. The strategy actions focus on guidance, systems improvements and upskilling staff to achieve meaningful engagement with hapū and iwi groups in Council decision-making.

# Financial summary

## Whakarāpopototanga ā-pūtea

### Overall results at a glance

NPDC recorded a surplus of \$18.3m compared to a budget surplus of \$54.6m. This variance was driven by several factors outlined in Note 2 of the Annual Report (page 84). The reasons can be categorised into two main groups: non-cash items and funds held on behalf, largely outside of our control (+\$8.6m) and unexpected expenditures outside budget (-\$44.8m).

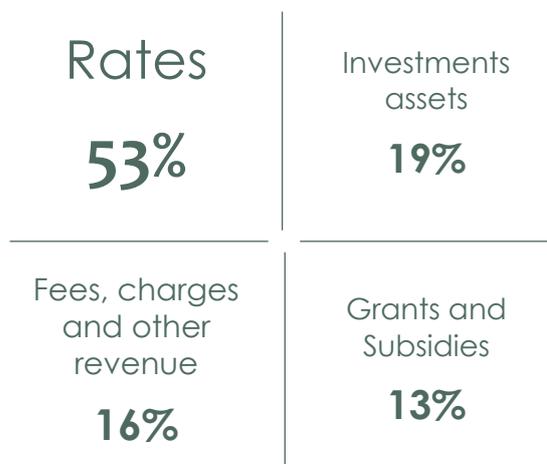
On the non-cash side, we saw positive impacts from increased investment gains in the Perpetual Investment Fund (PIF), offset by unbudgeted derivative losses, depreciation and asset disposals.

Cash-wise, grants and subsidies were significantly behind due to capital project delays (-\$29.9m). This coupled with increased direct costs across various areas of Council were the main contributing factors for the variance to budget.

### Operating revenue

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

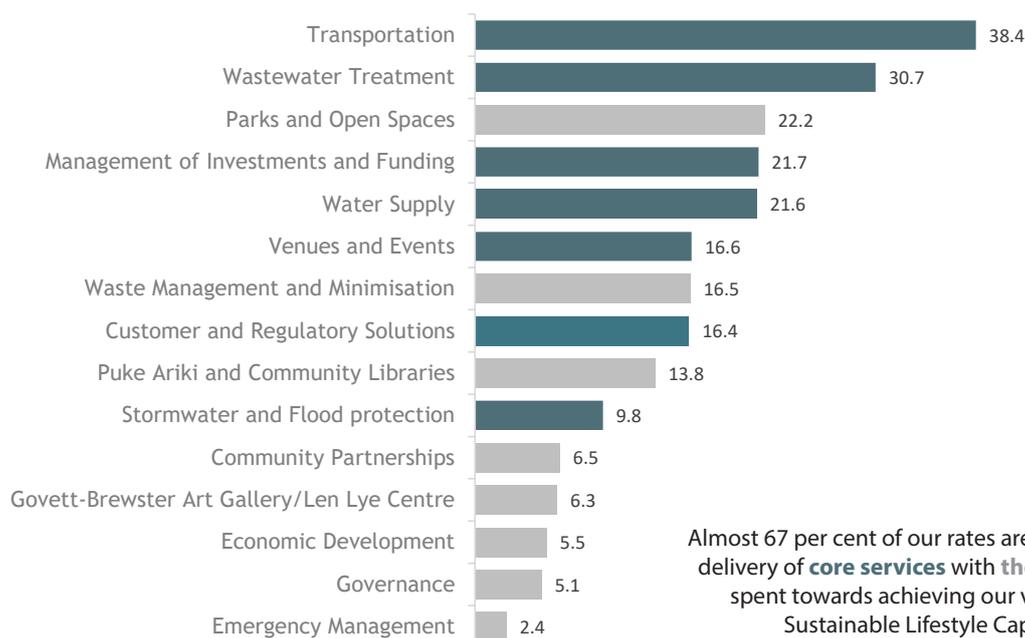
Council's operating revenue was behind budget by \$18.2m. Higher investment gains on the PIF contributed against lower than anticipated subsidies and grants revenue. The residential median rate (including GST) was increased by 14.6 per cent in line with the budget.



### Operating expenditure

Operating expenditure of \$233.6m is \$18m higher than budget (\$215.5m). There are two main reasons for this: things beyond our control, such as derivative losses, depreciation and assets disposals, and unexpected expenses we didn't plan for. The graph shows where the money was spent by NPDC activity and highlights the expenditure over our core function.

Operating expenditure by activity (in millions)



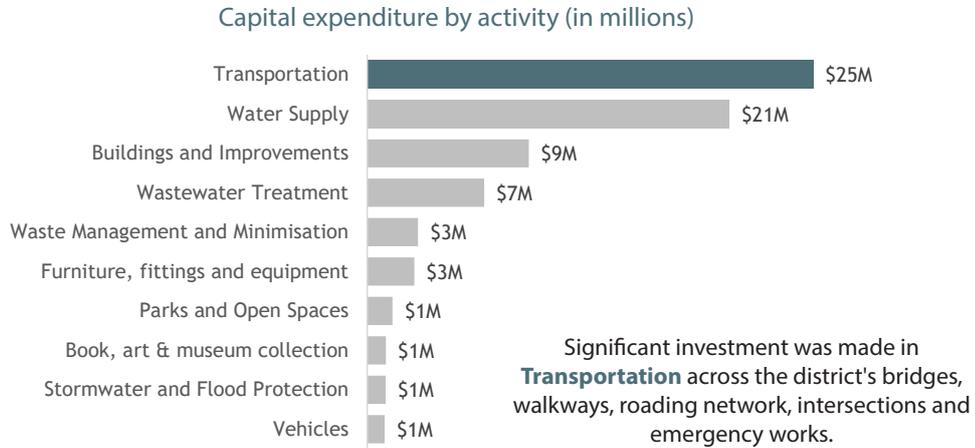
Almost 67 per cent of our rates are spent on the delivery of **core services** with the remainder spent towards achieving our vision of a Sustainable Lifestyle Capital.

# Financial summary

## Whakarāpopototanga ā-pūtea

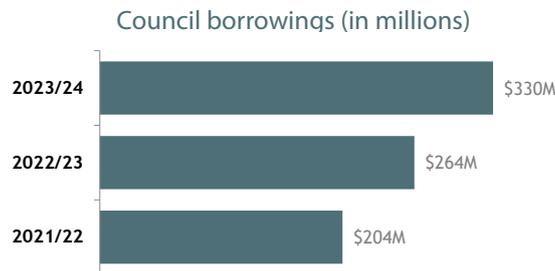
### Capital expenditure

During the year NPDC added \$72m of new assets through its renewal and capital works programme. This covered all activities within our district. The graph shows the breakdown of capital expenditure by category.



### Borrowings

In 2023/24 Council raised an additional \$66m in borrowings. This was \$6.5m over budget and a reflection of the increased capital expenditure during the year. The graph shows Council's debt levels over the past three years.



# Financial summary

## Whakarāpopototanga ā-pūtea

### Summary Statement of Comprehensive Revenue and Expense for the year ended 30 June 2024

	COUNCIL			GROUP	
	2023/24 Actual \$'000	2023/24 Budget \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
Rates revenue	132,257	132,330	117,562	132,127	117,460
Perpetual Investment Fund (gains)	41,372	23,770	24,321	41,372	24,321
Other revenue	78,230	113,980	69,063	88,204	80,738
<b>Total operating revenue</b>	<b>251,859</b>	<b>270,080</b>	<b>210,946</b>	<b>261,703</b>	<b>222,519</b>
Interest costs	11,588	11,320	9,671	11,589	9,672
Perpetual Investment Fund (direct expenses)	3,069	2,745	2,572	3,069	2,572
Other expenses	218,896	201,445	212,905	226,497	222,030
<b>Total operating expenditure</b>	<b>233,553</b>	<b>215,510</b>	<b>225,148</b>	<b>241,155</b>	<b>234,274</b>
Share of joint venture surplus	23	-	(237)	23	(237)
<b>Surplus/(deficit) before taxation</b>	<b>18,329</b>	<b>54,570</b>	<b>(14,439)</b>	<b>20,571</b>	<b>(11,992)</b>
Income tax (expense)/refund	-	-	-	(5,354)	(754)
<b>SURPLUS/(DEFICIT) AFTER TAXATION</b>	<b>18,329</b>	<b>54,570</b>	<b>(14,439)</b>	<b>15,217</b>	<b>(12,746)</b>
Gain/(loss) on property, plant and equipment revaluations	2,179	-	(7,984)	2,179	(2,870)
Financial assets fair value movement (could be reclassified to surplus/(deficit))	(12)	-	(21)	(13)	(21)
<b>Total other comprehensive revenue and expense</b>	<b>2,167</b>	<b>-</b>	<b>(8,005)</b>	<b>2,166</b>	<b>(2,891)</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>	<b>20,496</b>	<b>54,570</b>	<b>(22,444)</b>	<b>17,383</b>	<b>(15,637)</b>

### Summary Statement of Financial Position as at 30 June 2024

	COUNCIL			GROUP	
	2023/24 Actual \$'000	2023/24 Budget \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
Current assets	384,094	400,280	353,248	392,569	359,829
Non-current assets	3,638,325	3,673,660	3,577,420	3,652,689	3,591,191
<b>Total assets</b>	<b>4,022,419</b>	<b>4,073,940</b>	<b>3,930,668</b>	<b>4,045,258</b>	<b>3,951,020</b>
Current liabilities	125,986	114,110	134,548	129,208	136,715
Non-current liabilities	271,637	273,980	191,820	280,990	196,629
<b>Total liabilities</b>	<b>397,623</b>	<b>388,090</b>	<b>326,368</b>	<b>410,198</b>	<b>333,344</b>
<b>TOTAL EQUITY/NET ASSETS</b>	<b>3,624,796</b>	<b>3,685,850</b>	<b>3,604,300</b>	<b>3,635,060</b>	<b>3,617,676</b>

### Summary Statement of Cash Flows for the year ended 30 June 2024

	COUNCIL			GROUP	
	2023/24 Actual \$'000	2023/24 Budget \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
Net cash flows from operating activities	29,135	79,760	23,373	33,430	26,247
Net cash flows from investing activities	(121,819)	(117,390)	(73,547)	(123,649)	(74,835)
Net cash flows from financing activities	66,002	26,560	60,142	66,002	60,142
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS AT 1 JULY</b>	<b>(26,682)</b>	<b>(11,070)</b>	<b>9,968</b>	<b>(24,217)</b>	<b>11,554</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JULY</b>	<b>45,939</b>	<b>17,340</b>	<b>35,971</b>	<b>51,156</b>	<b>39,602</b>
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>19,257</b>	<b>6,270</b>	<b>45,939</b>	<b>26,939</b>	<b>51,156</b>



# **Council Services**

**Ngā Ratonga ā te Kaunihera**

# Introduction to Council Services

## Whakarapopoto ki ngā Ratonga ā-Kaunihera

### Our activities and performance

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

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

We have 113 non-financial performance measures set through the Long-Term Plan (LTP) 2021-2031. At the request of Audit a number of small changes were made in reporting. Flood Protection and Control Works has been split into three measures, with an additional satisfaction measure being reported on for each of the Stormwater Management, Wastewater Treatment and Water Supply services. These measures, the targets against each, and the results for the past year, are set out in this section. All percentage results have been rounded to remove any decimal places.

This year:

- We achieved the target for 84 measures.
- We substantially achieved the target for 9 measures.
- We did not meet the target for 20 measures.

Performance measures	Achieved	Substantially achieved	Not achieved
	(Target has been met or exceeded)	(Target has not been met by a slim margin (-2%))	(Target has not been met)
Community Partnerships	4	-	1
Customer and Regulatory Solutions	3	2	3
Economic Development	7	-	1
Emergency Management and Business Continuance	3	1	2
Flood Protection and Control Works	3	-	-
Governance	3	-	-
Govett-Brewster Art Gallery/Len Lye Centre	5	-	-
Management of Investments and Funding	2	-	-
Parks and Open Spaces	5	1	1
Puke Ariki and Community Libraries	9	-	2
Stormwater Management	9	-	-
Transportation	3	1	4
Venues and Events	2	2	2
Waste Management and Minimisation	4	-	3
Wastewater Treatment	9	-	1
Water Supply	13	2	-

### Community satisfaction survey

NPDC contracted Research First to complete an independent survey of around 350 people about their satisfaction with our services over the previous year. Participants are representative of our district and statistically robust, providing results which have a margin of error of plus or minus 5.2 per cent at the 95 per cent confidence interval.

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

### In-house surveys

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

# Introduction to Council Services

## Whakarapopoto ki ngā Ratonga ā-Kaunihera

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



Partnerships



Delivery



Community



Sustainability



Prosperity

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

# Community Partnerships

## Ngā rangapū ā-hapori

### What we do

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

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

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

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

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



### Significant effects on community well-being

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

### Significant challenges during the year

The service has had continued pressure from oversubscribed community funding requests and increased cost pressures affecting community organisations. In response, the team has had to listen, adapt and deliver to meet the evolving demands in light of a challenging and changing funding environment.

Balancing housing for the elderly rental increases in a way that provides for the self-funding model while providing affordable housing based on market levels (as required by the Housing for the Elderly Policy) has also been challenging. Work is underway to explore alternative models that address this challenge with commitments made during Long-Term Plan 2024-2034 to resource the work including building at least 24 more units.

# Community Partnerships

## Ngā rangapū ā-hapori

### Our commitment to you

	Target	Result	Comment
<b>Build strategic relationships that support collaboration, capability and capacity in the community sector.</b>			
The percentage of partners satisfied with NPDC's advice and involvement in community initiatives.	95%	95%	Responses received from 22 of 25 partners surveyed. (2022/23: 100% - Achieved)
The percentage of residents satisfied with NPDC's advice and support to community groups (satisfaction survey <sup>1</sup> ).	90%	85%	Low awareness about advice and support we provided to community groups. (2022/23: 89% - Substantially achieved)
<b>Provide a 'start-up' fund to support creativity and collaboration in new community initiatives.</b>			
The number of initiatives receiving 'start-up' financial support.	3	6	(2022/23: Three - Achieved)
<b>Provide effective funding support for community organisations and initiatives.</b>			
The percentage of key performance indicators achieved by recipients of NPDC's grants (as set out in funding contracts).	95%	100%	(2022/23: 91% - Not achieved)
<b>Effectively coordinate and administer the Housing for the Elderly service.</b>			
The percentage of tenants satisfied with the service.	90%	98%	Responses received from 55 tenants. (2022/23: 100% - Achieved)

<sup>1</sup> All satisfaction survey targets are excluding 'don't know' responses.

# Community Partnerships

## Ngā rangapū ā-hapori

### Funding Impact Statement for the year ended 30 June 2024

	Notes	A/Plan 2023/24 \$'000	LTP 2022/23 \$'000	LTP 2023/24 \$'000	Actual 2023/24 \$'000
<b>Sources of operating funding</b>					
General rates, uniform annual charges, rates penalties		5,540	5,360	5,430	5,540
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		60	60	60	37
Fees and charges		1,410	1,240	1,310	1,396
Internal charges and overheads recovered		260	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	150	250	-
<b>Total operating funding (A)</b>		<b>7,270</b>	<b>6,810</b>	<b>7,050</b>	<b>6,973</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	1	5,130	4,960	5,170	5,731
Finance costs		-	-	-	-
Internal charges and overheads applied		1,420	1,350	1,370	1,534
Other operating funding applications		-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>6,550</b>	<b>6,310</b>	<b>6,540</b>	<b>7,265</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>		<b>720</b>	<b>500</b>	<b>510</b>	<b>(292)</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		120	1,470	(30)	27
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>120</b>	<b>1,470</b>	<b>(30)</b>	<b>27</b>
<b>Applications of capital funding</b>					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		140	1,490	-	27
- to replace existing assets		100	110	100	176
Increase/(decrease) in reserves		600	370	380	(468)
Increase/(decrease) of investments		-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>840</b>	<b>1,970</b>	<b>480</b>	<b>(265)</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>		<b>(720)</b>	<b>(500)</b>	<b>(510)</b>	<b>292</b>
<b>Funding balance (A-B) + (C-D)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Variance explanation Actual 2023/24 to Annual Plan 2023/24

1. Rates remissions of \$280,000.

# Customer and Regulatory Solutions

## Ngā Whakatika i ngā Kiritaki me ngā Waeture

### What we do

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

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

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

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



### Significant effects on community well-being

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

### Significant challenges during the year

The Consents and Regulatory Team encountered its most significant challenge with the LTP 2024-2034 consultation which suggested an increase in revised development contributions. This prompted a large number of consent applications before 1 July 2024 in order to avoid the impending rise and as a result stretched team resources and negatively impacted compliance with statutory timeframes.

Both the previous and current government have focused on progressing resource management and local government reforms. There is a range of new national direction that Council's must implement, and announcements of further significant changes to come. This creates both opportunities and uncertainty for the Council and community, and challenges to remain abreast of legal requirements and ensure our local planning framework under the District Plan and other planning documents are lawful and support the community.

# Customer and Regulatory Solutions

## Ngā Whakatika i ngā Kiritaki me ngā Waeture

Since the Proposed District Plan (PDP) was publicly notified in 2019, the district has been working under two District Plans (Operative and Proposed) and while this is a normal plan-making phase, it is acknowledged that it is more complicated and costly than operating under one plan. Mediation on the appeals to date has been positive and progress continues with a new fully adopted Plan expected within a year.

Concerns were raised through the year that the PDP is perceived to be creating issues for development and provision of growth. The PDP has a directive strategic policy framework designed to provide housing and businesses in the right locations to meet our community's long-term needs, however it is a significantly different planning framework for the community to adjust to. Council has acknowledged that the PDP would benefit from fine tuning and intends to work closely with the local development community to understand and address the concerns.

Taranaki Regional Council and NPDC adopted a Future Development Strategy (FDS) for the New Plymouth District this year. Its purpose is to set out the strategic framework for providing for urban growth. It gives direction to the community about where new homes and businesses will be located. The FDS signals a new way of working to support urban growth. To respond to the challenges associated with embedding the new district plan and other development pressures, the Council has committed through the FDS to working more closely with the local development sector to support growth with the establishment of the Ngāmotu Growth Advisory Panel.

### Our commitment to you

	Target	Result	Comment
<b>Animal control processes contribute to a safe and healthy community.</b>			
The percentage of animal control emergency situations <sup>1</sup> responded to within two hours.	100%	100%	(2022/23: 100% - Achieved)
The percentage of known dogs registered.	95%	87%	There are 11,319 known dogs registered in the district and 1,684 unregistered dogs, compared to 11,977 registered and 920 unregistered in 2022/23.  The Animal Control Team carried a vacancy for an officer for a significant part of the year. In addition, early 2024 presented a 30% increase in reported dog attacks which required priority officer resourcing. With a full complement of officers now in place it is anticipated that resourcing can be dedicated to achieving this measure going forward.  (2022/23: 93% - Substantially achieved)
The percentage of residents satisfied with animal control activities (satisfaction survey <sup>2</sup> ).	90%	88%	While pleasing to see a higher satisfaction rate, processes will continue to be reviewed to identify any opportunities for efficiencies and to improve customer experience.  (2022/23: 86% - Not achieved)

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

<sup>2</sup> All satisfaction survey targets are excluding 'don't know' responses.

# Customer and Regulatory Solutions

## Ngā Whakatika i ngā Kiritaki me ngā Waeture

	Target	Result	Comment
<b>Respond to logged complaints in a timely manner.</b>			
The percentage of formal complaints that receive an interim reply or are resolved within five working days.	90%	88%	There were 177 formal complaints received, compared to 276 in 2022/23. (2022/23: 88% - Substantially achieved)
<b>Process requests for official information within timeframes set under Local Government Official Information and Meetings Act (1987).</b>			
The percentage of requests for official information completed within statutory timeframes.	100%	100%	There were 319 official information requests received, compared to 280 in 2022/23. (2022/23: 97% - Not achieved)
<b>Conduct licensing inspections in accordance with statutory requirements.</b>			
All businesses required to be licensed are inspected in accordance with statutory requirements.	100%	100%	NPDC has a total of 250 licensed premises in the district, compared to 234 in 2022/23. (2022/23: 100% - Achieved)
<b>Process consent applications within statutory timeframes.</b>			
The percentage of building applications processed within statutory timeframes (consents and code compliance certificates).	100%	95%	There were 5,948 building applications <sup>3</sup> processed, compared to 2,596 the previous year. (2022/23: 83% - Not achieved)
The percentage of non-notified resource management consents processed within statutory timeframes.	100%	68% <sup>4</sup>	There were 367 non-notified consents processed, compared to 361 the previous year.  A combination of staff turnover and the surge in consents lodged prior to the end of the financial year are cited as contributors to this compliance rate result.  (2022/23: 78% - Not achieved)

<sup>3</sup> Consent amendments are now considered as their own separate applications and have been included within the total building applications processed to provide a full picture of work undertaken annually. Note while consent activity and revenue is down, application numbers are up based on our reporting methodology.

<sup>4</sup> Due to system limitations and documentation gaps, we identified issues with the recorded processing times not agreeing to underlying consent information. Consequently, a risk exists that the actual result achieved for the year may be higher or lower than reported. These issues do not reflect on the quality of resource consents processed or the decisions reached but may impact on the accuracy of performance reporting for this measure. Moving forward, NPDC is implementing a new digital system to manage consent timelines, enhancing quality assurance processes, and reducing reliance on external contractors. These changes aim to ensure compliance with statutory requirements and restore confidence in the Council's resource consent processes.

# Customer and Regulatory Solutions

## Ngā Whakatika i ngā Kiritaki me ngā Waeture

### Funding Impact Statement for the year ended 30 June 2024

	Notes	A/Plan 2023/24 \$'000	LTP 2022/23 \$'000	LTP 2023/24 \$'000	Actual 2023/24 \$'000
<b>Sources of operating funding</b>					
General rates, uniform annual charges, rates penalties		3,160	2,830	2,580	3,160
Targeted rates		50	40	40	50
Subsidies and grants for operating purposes		-	-	-	176
Fees and charges	1	11,150	9,280	9,460	9,479
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		800	790	790	907
<b>Total operating funding (A)</b>		<b>15,160</b>	<b>12,940</b>	<b>12,870</b>	<b>13,772</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers		10,870	8,960	8,730	11,045
Finance costs		-	-	-	-
Internal charges and overheads applied		4,670	4,130	4,290	4,999
Other operating funding applications		-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>15,540</b>	<b>13,090</b>	<b>13,020</b>	<b>16,043</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>		<b>(380)</b>	<b>(150)</b>	<b>(150)</b>	<b>(2,272)</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt	2	(30)	(30)	(30)	1,638
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>(30)</b>	<b>(30)</b>	<b>(30)</b>	<b>1,638</b>
<b>Applications of capital funding</b>					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		-	-	-	1,638
- to replace existing assets	3	1,230	1,110	30	49
Increase/(decrease) in reserves		(1,640)	(1,290)	(222)	(2,321)
Increase/(decrease) of investments		-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>(410)</b>	<b>(180)</b>	<b>(192)</b>	<b>(634)</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>		<b>380</b>	<b>150</b>	<b>152</b>	<b>2,272</b>
<b>Funding balance (A-B) + (C-D)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Variance explanation Actual 2023/24 to Annual Plan 2023/24

1. Operating 'fees and charges' received for building consents and parking are lower than budgeted due to a reduction in activity. Note while consent activity and revenue is down, application numbers are up based on our reporting methodology.
2. Operating 'payments' are higher than budgeted due to District Plan related costs that have been funded from debt.
3. Capital expenditure has been delayed for both the parking machine renewals and Downtown Carpark.

# Economic Development

## Whakawhanake Ohaoha

### What we do

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

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

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

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



### Significant effects on community well-being

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

### Significant challenges during the year

The past year has presented challenges and uncertainty for our business community, with inflationary pressures and rising living costs. The dynamic landscape, marked by a change of government and growing pressures on local and central government funding has added to this uncertainty. Additionally, declines in gas production have further impacted our regional workforce and economy. Despite these challenges, Venture Taranaki strives to transform these into growth opportunities.

Venture Taranaki plays a pivotal role in advancing the region's status as New Zealand's energy hub, developing land use and diversification opportunities, promoting the region and developing the visitor sector, alongside driving strategic initiatives, including the implementation of a refreshed Tapuae Roa regional strategy. This strategy refresh will outline our pathway to 2035 and beyond, aiming to accelerate future economies, attract high-value visitors and investment, and support local businesses to retain the region's vibrancy and appeal.

# Economic Development

## Whakawhanake Ohaoha

### Our commitment to you

	Target	Result	Comment
<b>Promote the New Plymouth District and the Taranaki region as a vibrant and desirable place to work, live, learn, play and invest.</b>			
The number of major events attracted or retained.	4	32*	(2022/23: 20 - Achieved)
Undertaking initiatives to support investment into Taranaki.	5	10	(2022/23: 11 - Achieved)
The number of engagements <sup>1</sup> with visitor industry operators.	1,000	1,580	(2022/23: 1,867- Achieved)
The number of talent initiatives <sup>2</sup> .	2	13	(2022/23: 11 - Achieved)
<b>Facilitate, promote, and support sustainable business growth, innovation, investment and employment opportunities in Taranaki.</b>			
The level of annual investment in regional businesses (subject to central government policy).	\$1,000,000	\$394,012	\$364,012 in New Plymouth District and \$30,000 in wider Taranaki region.  This measure is based on Research and Development funding offered by Callaghan Innovation. However, the availability of funding has been significantly reduced this year as large grants have been replaced by the Research and Development Tax Incentive.  (2022/23: \$493,195 - Not achieved)
The annual percentage of clients satisfied with Venture Taranaki business support services.	>85%	98%	The survey goes to those who have accessed Venture Taranaki programmes and services.  (2022/23: 87% - Achieved)
The level of annual investment <sup>3</sup> in the management capability of Taranaki's small and medium-sized businesses.	\$240,000	\$311,858	\$206,316 in New Plymouth District and \$105,542 Taranaki region. Investment was across 147 vouchers (2022/23: 180 vouchers).  (2022/23: \$331,056 - Achieved)
Number of enterprise referrals and connections made by Venture Taranaki staff.	200	763	(2022/23: 746 - Achieved)

<sup>1</sup> Engagement is defined as a significant interaction made with an external party.

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

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

\* Events contracted were Festival of Lights (FOL) Summer 2024 and 2025, FOL Winter 2024 and 2025, WOMAD, Bowl of Brooklands concerts one and two, NZ Breakers, Centuria Taranaki Garden Festival 2023 and 2024, Taranaki Fringe Garden Festival 2024, Winter Festival, AmeriCARna 2024 and 2025, Taranaki Open Fours Bowls 2024 and 2025, Oxfam Trailwalker, Dream 11 Super Smash, Taste and Tales, Kiwiman Extreme Triathlon, Taranaki Beer Festival, Feastival (Autumn), Harlem Globetrotters, NZ Tattoo Art Festival, Taranaki Sustainable Backyards Trail, Taranaki Arts Trail, Coastal Five, Odds on 2024, Tour of Taranaki 2025, Right Royal Cabaret Festival 2025, Feastival Spring 2024 and Summer 2025 and Spiegel Fest 2024.

# Economic Development

## Whakawhanake Ohaoha

### Funding Impact Statement for the year ended 30 June 2024

	Notes	A/Plan 2023/24 \$'000	LTP 2022/23 \$'000	LTP 2023/24 \$'000	Actual 2023/24 \$'000
<b>Sources of operating funding</b>					
General rates, uniform annual charges, rates penalties		5,290	4,290	4,400	5,290
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		-	-	-	-
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding (A)		5,290	4,290	4,400	5,290
<b>Applications of operating funding</b>					
Payments to staff and suppliers		4,090	3,480	3,590	4,342
Finance costs		-	-	-	-
Internal charges and overheads applied		1,020	750	750	1,136
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		5,110	4,230	4,340	5,478
<b>Surplus/(deficit) of operating funding (A - B)</b>		<b>180</b>	<b>60</b>	<b>60</b>	<b>(188)</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		(20)	(20)	(20)	-
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		(20)	(20)	(20)	-
<b>Applications of capital funding</b>					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		-	-	-	-
- to replace existing assets		-	-	-	-
Increase/(decrease) in reserves		(160)	(40)	(40)	188
Increase/(decrease) of investments		-	-	-	-
Total applications of capital funding (D)		(160)	(40)	(40)	188
<b>Surplus/(deficit) of capital funding (C-D)</b>		<b>(180)</b>	<b>(60)</b>	<b>(60)</b>	<b>188</b>
<b>Funding balance (A-B) + (C-D)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Variance explanation Actual 2023/24 to Annual Plan 2023/24

There are no material variances for this activity.

# Emergency Management and Business Continuance

## Whakahaere Wā Mōrearea me te Tōnuitanga Pakihi

### What we do

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

As a member of the Taranaki Civil Defence Emergency Management Group, NPDC works with the Regional Group Office – Taranaki Emergency Management Office, the community, and other agencies to plan for and manage responses to local emergency events. We also educate our communities about potential hazards and about how to prepare and recover from emergencies associated with these hazards. We make sure the information we have about hazards and risks in the district is up to date, and review a range of Council plans in accordance with that information.

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



### Significant effects on community well-being

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

### Significant challenges during the year

A significant challenge has been the decrease in trained officers within the organisation to respond to events as a result of the organisational realignment.

A review was conducted on the NPDC Crisis and Emergency Management Plans. This resulted in a new framework being developed to connect existing business continuity, incident and emergency management arrangements into one structure. This will now progress with all business continuity plans and emergency management plans having the new framework embedded within the processes and procedures.

# Emergency Management and Business Continuance

## Whakahaere Wā Mōrearea me te Tōnuitanga Pakihi

### Our commitment to you

	Target	Result	Comment
<b>Ensure NPDC is ready for, can respond to, and can recover from emergencies.</b>			
Emergency processes and plans are reviewed and updated annually.	Emergency plans are reviewed and updated as per exercise schedule	Not achieved	Work continues implementing the new NPDC framework within response plans and activities. All plans are currently being assessed to identify any gaps and looking at areas for improvements prior to updates being made and workshops being held with teams. There are 51 plans that require realignment with the new framework.  (2022/23: Not achieved)
Recruit, train, and maintain a database of staff and volunteers capable of responding to an emergency.	Maintain 150 recruited and trained staff and volunteers	Substantially achieved	There were 148 recruited and trained staff and volunteers (92 trained EOC staff, 56 trained community volunteers who are aligned with Civil Defence Centres within the region). Retaining trained staff during the year has been particularly challenging due to the organisational realignment.  (2022/23: 162 - Achieved)
Ensure the NPDC Emergency Operations Centre (EOC) is fit for purpose.	Complete monthly system checks and an annual EOC capability audit	Achieved	(2022/23: Achieved)
Develop and implement an NPDC emergency exercise programme.	Undertake two emergency exercises	Achieved	Seven emergency exercises were undertaken - Shakeout (19 October 2023), tabletop exercise (November 2023), three table top workshop sessions for the NPDC framework exercise against a series of scenarios (December 2023), national exercise Ru Whenua - full EOC activation (June 2024), Civil Defence Centre exercise (February 2024).  (2022/23: Three - Achieved)

# Emergency Management and Business Continuance

## Whakahaere Wā Mōrearea me te Tōnuitanga Pakihi

	Target	Result	Comment
<b>Assist the New Plymouth community in becoming ready for, responding to, and recovering from emergencies.</b>			
Civil Defence centres are identified, assessed and formalised with Memorandum(s) of Understanding.	8	7	<p>Seven Civil Defence centres identified, assessed and formalised with MOUs: Owae Marae, North Taranaki Sports and Recreation Waitara, Northpoint Baptist Church, Coastal School, Knox Church, Ōākura Bowling Club, TET Stadium Inglewood.</p> <p>Owae Marae has been assessed under the new marae resilience framework developed by Ngā Iwi o Taranaki and supported by NPDC. A new Memorandum of Understanding is in development to support this Kaupapa.</p> <p>(2022/23: Seven (target six) - Achieved)</p>
Engage with key community groups, and stakeholders (particularly iwi and hapū) to develop community emergency response capability.	Establish a team that can deliver a community-based emergency response capability	Achieved	<p>A strong focus was placed on engagement with community groups, stakeholders and iwi. Exercises were held alongside New Zealand Red Cross to build community response capability. NPDC will continue support to Ngā Iwi o Taranaki with developing a framework that will assist marae to support communities during events. Engagement programmes will continue to be delivered that focus on resilience and communities as individuals being prepared for emergencies.</p> <p>(2022/23: Not achieved)</p>

# Emergency Management and Business Continuance

## Whakahaere Wā Mōrearea me te Tōnuitanga Pakihi

### Funding Impact Statement for the year ended 30 June 2024

	Notes	A/Plan 2023/24 \$'000	LTP 2022/23 \$'000	LTP 2023/24 \$'000	Actual 2023/24 \$'000
<b>Sources of operating funding</b>					
General rates, uniform annual charges, rates penalties		1,210	1,490	1,540	1,210
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		1,610	1,570	1,610	1,526
Fees and charges		-	230	-	63
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
<b>Total operating funding (A)</b>		<b>2,820</b>	<b>3,290</b>	<b>3,150</b>	<b>2,799</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers		2,070	2,370	2,170	2,310
Finance costs		40	30	40	51
Internal charges and overheads applied		420	740	740	479
Other operating funding applications		-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>2,530</b>	<b>3,140</b>	<b>2,950</b>	<b>2,840</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>		<b>290</b>	<b>150</b>	<b>200</b>	<b>(41)</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		(170)	(20)	780	(19)
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>(170)</b>	<b>(20)</b>	<b>780</b>	<b>(19)</b>
<b>Applications of capital funding</b>					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		70	120	980	173
- to replace existing assets		-	-	-	-
Increase/(decrease) in reserves		50	10	-	(233)
Increase/(decrease) of investments		-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>120</b>	<b>130</b>	<b>980</b>	<b>(60)</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>		<b>(290)</b>	<b>(150)</b>	<b>(200)</b>	<b>41</b>
<b>Funding balance (A-B) + (C-D)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Variance explanation Actual 2023/24 to Annual Plan 2023/24

There are no material variances for this activity.

# Flood Protection and Control Works

## Tiakina Waipuke me ngā Mahinga Whakahaere

### What we do

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



### Significant effects on community well-being

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

### Significant challenges during the year

The Building (Dam Safety) Regulations 2022 came into effect on 13 May 2024. Dam assessments have been done on all identified dams. The Highlands Park dam has been identified as a dangerous dam due to lack of spillway capacity. The council is undertaking investigations into what can be done to address this.

### Our commitment to you

	Target	Result	Comment
<b>Major flood protection scheme assets and systems are maintained in accordance with asset management plans and annual works programmes.</b>			
Assets to be maintained to full service potential in accordance with the Dam Safety Management System and Asset Management System (T1) scheduled maintenance. <sup>1</sup>	Achieved	Achieved	
Dam Safety Management System is updated in accordance with Dam Safety Regulation.	Achieved	Achieved	
<b>Major flood protection scheme assets and systems are repaired in accordance with asset management plans and annual works programme.</b>			
Following an event, damage is identified and programmed for repair.	Achieved	Achieved	

<sup>1</sup> Flood protection assets are maintained in accordance with the maintenance scheduled in NPDC's Tech 1 system. Council does not have a formal renewal or replacement programme for dams, under the assumption that dams have a very long service life and, therefore, do not need regular updates or replacements. This approach may be based on the belief that dams, as critical infrastructure, can last many decades or even centuries with proper maintenance.

This measure was previously worded in the prior year's annual report and Long-Term Plan 2021-2031 as "Effectively maintain NPDC's flood protection and controls works - major flood protection and control works are maintained, repaired and renewed in accordance with asset management plans and annual works programme". It has been disaggregated into three measures this year to allow for more meaningful reporting.

# Flood Protection and Control Works

## Tiakina Waipuke me ngā Mahinga Whakahaere

### Funding Impact Statement for the year ended 30 June 2024

	Notes	A/Plan 2023/24 \$'000	LTP 2022/23 \$'000	LTP 2023/24 \$'000	Actual 2023/24 \$'000
<b>Sources of operating funding</b>					
General rates, uniform annual charges, rates penalties		400	300	380	400
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		-	-	-	-
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
<b>Total operating funding (A)</b>		<b>400</b>	<b>300</b>	<b>380</b>	<b>400</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers		180	50	130	220
Finance costs		-	-	-	-
Internal charges and overheads applied		240	200	210	100
Other operating funding applications		-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>420</b>	<b>250</b>	<b>340</b>	<b>320</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>		<b>(20)</b>	<b>50</b>	<b>40</b>	<b>80</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		(10)	(10)	-	-
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>(10)</b>	<b>(10)</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		-	-	-	-
- to replace existing assets		40	40	40	12
Increase/(decrease) in reserves		(70)	-	-	68
Increase/(decrease) of investments		-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>(30)</b>	<b>40</b>	<b>40</b>	<b>80</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>		<b>20</b>	<b>(50)</b>	<b>(40)</b>	<b>(80)</b>
<b>Funding balance (A-B) + (C-D)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Variance explanation Actual 2023/24 to Annual Plan 2023/24

There are no material variances for this activity.

# Governance

## Kāwanatanga

---

### What we do

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

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



### Significant effects on community well-being

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

### Significant challenges during the year

Three unanticipated by-elections were required for Clifton Community Board (two by-elections) and Puketapu-Bell Block Community Board (one by-election).

The LTP 2024-2034 was adopted after 30 June 2024, on 4 July 2024, well within the extended statutory timeframes provided in the Water Services Repeal Act 2024.

# Governance

## Kāwanatanga

### Our commitment to you

	Target	Result	Comment
Effectively manage local elections in accordance with statutory requirements.			
Elections and polls comply with the provisions of the Local Electoral Act 2001 and are without successful petitions for inquiry into the conduct of elections.	Full compliance	Achieved	No triennial elections held this year. Clifton Community Board By-elections completed 13 August 2023 and 29 May 2024, Puketapu-Bell Block Community Board By-election completed 11 April 2024.  (2022/23: Achieved)
Ensure NPDC processes comply with statutory requirements.			
The Long-Term Plan, Annual Plan and Annual Report* are each adopted within statutory timeframes.	Full compliance	Achieved	Annual Report 2022/23 was adopted 31 October 2023 and Long-Term Plan 2024-2034 was adopted 4 July 2024.  (2022/23: Not achieved)
Meeting agendas are available as specified by legislation.	Full compliance	Achieved	Meeting agendas provided online within statutory timeframes. Hard copies available to members of the public on request.  (2022/23: Achieved)

\* The results are for the Long-Term Plan 2024-2034 and Annual Report 2022/23.

# Governance

## Kāwanatanga

### Funding Impact Statement for the year ended 30 June 2024

	Notes	A/Plan 2023/24 \$'000	LTP 2022/23 \$'000	LTP 2023/24 \$'000	Actual 2023/24 \$'000
<b>Sources of operating funding</b>					
General rates, uniform annual charges, rates penalties		4,890	4,100	4,110	4,890
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		10	80	10	21
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
<b>Total operating funding (A)</b>		<b>4,900</b>	<b>4,180</b>	<b>4,120</b>	<b>4,911</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers		2,310	1,880	1,880	2,780
Finance costs		-	-	-	-
Internal charges and overheads applied		2,280	2,260	2,190	2,356
Other operating funding applications		-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>4,590</b>	<b>4,140</b>	<b>4,070</b>	<b>5,136</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>		<b>310</b>	<b>40</b>	<b>50</b>	<b>(225)</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		20	(10)	(10)	-
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>20</b>	<b>(10)</b>	<b>(10)</b>	<b>-</b>
<b>Applications of capital funding</b>					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		400	410	420	114
- to replace existing assets		-	-	-	-
Increase/(decrease) in reserves		(70)	(380)	(380)	(339)
Increase/(decrease) of investments		-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>330</b>	<b>30</b>	<b>40</b>	<b>(225)</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>		<b>(310)</b>	<b>(40)</b>	<b>(50)</b>	<b>225</b>
<b>Funding balance (A-B) + (C-D)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Variance explanation Actual 2023/24 to Annual Plan 2023/24

There are no material variances for this activity.

# Govett-Brewster Art Gallery/Len Lye Centre

## Te Whare Toi ā Govett-Brewster me Len Lye

### What we do

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

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

The Gallery operations also includes the Len Lye Centre exhibitions and archive, a popular cinema and art and design shop. We offer paid tours and venue hire, and regularly publish a range of event and exhibition-based books and publications.



### Significant effects on community well-being

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

### Significant challenges during the year

Over the year the Gallery's largest challenges related to ongoing cost increases, particularly in relation to freight and managing capacity pressures on our front-of-house teams as demand increased for exhibition, event and cinema attendance. The Gallery's permanent collection storage capacity continues to be a significant issue, with safe access to items in the collection under increasing pressure.

# Govett-Brewster Art Gallery/Len Lye Centre

## Te Whare Toi ā Govett-Brewster me Len Lye

### Our commitment to you

	Target	Result	Comment
<b>Provide access to an engaging range of contemporary art from New Zealand and around the world.</b>			
The annual number of exhibitions on offer.	7	10	The Gallery opened 10 exhibitions during the year, spanning contemporary art (5) and Len Lye (5). (2022/23: 12 - Achieved)
The annual number of visitor entries.	70,000	87,442	The Gallery welcomed 87,442 visitors during the year, the largest number since 2016/17. Exhibition visitors surveyed originated from New Plymouth District (19%), elsewhere in Taranaki (1%), Auckland (20%), Wellington (17%) and international (20%). (2022/23: 84,500 (target 65,000) - Achieved)
The annual number of audience engagement events <sup>1</sup> .	60	108	108 unique audience engagement events were developed and delivered during the year. (2022/23: 84 (target 55) - Achieved)
The percentage of residents satisfied with the service (satisfaction survey <sup>2</sup> ).	65%	70%	(2022/23: 72% - Achieved)
The percentage of customers satisfied with their overall experience at the Govett-Brewster Art Gallery/Len Lye Centre (in-house surveys).	82%	95%	Rounded up from 94.8%. In-house surveys were taken of exhibition visitors throughout the year, with 420 participants. Results reflect survey responses 'very satisfied' (81%), 'satisfied' (13.8%). (2022/23: 89% - Achieved)

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

<sup>2</sup> All satisfaction survey targets are excluding 'don't know' responses.

# Govett-Brewster Art Gallery/Len Lye Centre

## Te Whare Toi ā Govett-Brewster me Len Lye

### Funding Impact Statement for the year ended 30 June 2024

	Notes	A/Plan 2023/24 \$'000	LTP 2022/23 \$'000	LTP 2023/24 \$'000	Actual 2023/24 \$'000
<b>Sources of operating funding</b>					
General rates, uniform annual charges, rates penalties		4,900	4,490	4,590	4,900
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		260	260	260	240
Fees and charges		640	540	640	631
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
<b>Total operating funding (A)</b>		<b>5,800</b>	<b>5,290</b>	<b>5,490</b>	<b>5,771</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers		3,890	3,580	3,690	4,196
Finance costs		-	-	-	-
Internal charges and overheads applied		1,520	1,490	1,520	1,468
Other operating funding applications		-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>5,410</b>	<b>5,070</b>	<b>5,210</b>	<b>5,664</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>		<b>390</b>	<b>220</b>	<b>280</b>	<b>107</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure		-	-	-	251
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		80	60	60	76
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>80</b>	<b>60</b>	<b>60</b>	<b>327</b>
<b>Applications of capital funding</b>					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		100	80	80	322
- to replace existing assets		120	140	140	74
Increase/(decrease) in reserves		250	60	120	38
Increase/(decrease) of investments		-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>470</b>	<b>280</b>	<b>350</b>	<b>434</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>		<b>(390)</b>	<b>(220)</b>	<b>(280)</b>	<b>(107)</b>
<b>Funding balance (A-B) + (C-D)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Variance explanation Actual 2023/24 to Annual Plan 2023/24

There are no material variances for this activity.

# Management of Investments and Funding

## Whakahaere o ngā Haumitanga me ngā Pūtea Mōni

### What we do

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

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

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



### Significant effects on community well-being

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

### Significant challenges during the year

As with any investment fund, a key challenge is always volatility in the markets and the resulting impact on the value of the PIF. This has resulted in monthly returns fluctuating from positive to negative. However, as the second half of the year saw the markets returning to a more sustainable growth environment, the PIF has closed the year with an overall positive return (refer note 14 (d) *Net change in PIF investments*).

# Management of Investments and Funding

## Whakahaere o ngā Haumitanga me ngā Pūtea Mōni

### Our commitment to you

	Target	Result	Comment
Manage the Perpetual Investment Fund (PIF) to provide sustainable NPDC revenue.			
The annual return from the PIF received by NPDC.	3.3% + CPI + management fees and costs	11.1%	<p>Target was 6.6% (3.3% + CPI + management costs).</p> <p>A prime focus for the Council is to ensure that returns from the PIF are at a level that meets its objectives for the fund. The New Plymouth PIF Guardians have a service performance indicator to achieve the total return on the portfolio (net of all costs) measures on a five-year rolling basis; this is currently a target of 3.3% plus NZ inflation (as measured by the Consumer Price Index). The actual return net of costs was 11.1% for the 12 month period to 30 June 2024. The total return of the portfolio for the past five years is 8.6% which is 1.0% above the rolling five-year target.</p> <p>(2022/23: 6.9% (target 9.3%) - Not achieved)</p>
Manage NPDC's borrowing programme in accordance with the Liability Management Policy. <sup>1</sup>			
Debt levels comply with limits set by policy.	All measures met	All measures met	(2022/23: All measures met - Achieved)

<sup>1</sup> The Liability Management Policy is incorporated within the Treasury Management Policy which was updated and approved by the Council on 18 June 2024.

<sup>2</sup> Council in compliance with all measures as per below:

Measure	Target*	2023/24 results	2022/23 results restated**	2022/23 results
1. Net debt/revenue***	<135%	-58.4%	-83.7%	-96.8%
2. Net interest/revenue	<10%	3.6%	3.7%	3.7%
3. Net interest/rates income	<12.5%	5.8%	5.9%	6.0%
4. Liquidity/external debt	>105%	108.1%	111.5%	118.5%

\* The 2024 updates to the Liability Management Policy changed the target for net interest/rates income from <20% in 2022/23 to <12.5% in 2023/24, and the target for liquidity/external debt from >110% in 2022/23 to >105% in 2023/24.

\*\* The 2024 updates to the Liability Management Policy changed how these four debt measures are calculated. The 2022/23 results have been recalculated in accordance with the new policy for comparability against the current year, and accordingly differ from the results presented in the Annual Report 2022/23. The net debt/revenue measure now includes the non-liquid portion of the PIF investment and LGFA borrower notes when calculating net debt, in line with the LGFA requirements; the net interest/rates income measure includes dividends received when calculating net interest; the liquidity/external debt measure allows the inclusion of term deposits with maturities <30 days when calculating liquid assets, instead of 181 days as in previous policy.

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

# Management of Investments and Funding

## Whakahaere o ngā Haumitanga me ngā Pūtea Mōni

### Funding Impact Statement for the year ended 30 June 2024

	Notes	A/Plan 2023/24 \$'000	LTP 2022/23 \$'000	LTP 2023/24 \$'000	Actual 2023/24 \$'000
<b>Sources of operating funding</b>					
General rates, uniform annual charges, rates penalties		(10,940)	(10,480)	(9,220)	(10,415)
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges	1	1,720	3,850	1,240	1,872
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	2	15,850	12,680	13,160	18,648
<b>Total operating funding (A)</b>		<b>6,630</b>	<b>6,050</b>	<b>5,180</b>	<b>10,105</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	2,3,4	9,660	7,470	7,190	5,913
Finance costs		1,580	2,000	2,830	1,839
Internal charges and overheads applied		820	1,330	710	806
Other operating funding applications		-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>12,060</b>	<b>10,800</b>	<b>10,730</b>	<b>8,558</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>		<b>(5,430)</b>	<b>(4,750)</b>	<b>(5,550)</b>	<b>1,547</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		(3,750)	(1,350)	(3,750)	(5,089)
Gross proceeds from sale of assets	3	7,950	6,990	7,950	185
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>4,200</b>	<b>5,640</b>	<b>4,200</b>	<b>(4,904)</b>
<b>Applications of capital funding</b>					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		-	-	-	(284)
- to replace existing assets		-	-	-	-
Increase/(decrease) in reserves	3,4	(1,230)	890	(1,360)	(3,073)
Increase/(decrease) of investments		-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>(1,230)</b>	<b>890</b>	<b>(1,360)</b>	<b>(3,357)</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>		<b>5,430</b>	<b>4,750</b>	<b>5,550</b>	<b>(1,547)</b>
<b>Funding balance (A-B) + (C-D)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Variance explanation Actual 2023/24 to Annual Plan 2023/24

- Operating 'fees and charges' received are higher than budgeted as it includes \$0.2m to additional rates penalties and \$0.5m PIF Guardian fees.
- Operating 'other receipts' received also includes \$2.2m additional interest earned (including \$1.3m distributed to Hapū Land Fund) and \$0.3m of additional PIF release due to increased CPI.
- No distribution of Waitara Freehold Property due to no sales so therefore no transfer to Waitara Perpetual Community Fund Reserve.
- Forestry road not constructed at McKay Block. Funding remains in reserve.

# Parks and Open Spaces

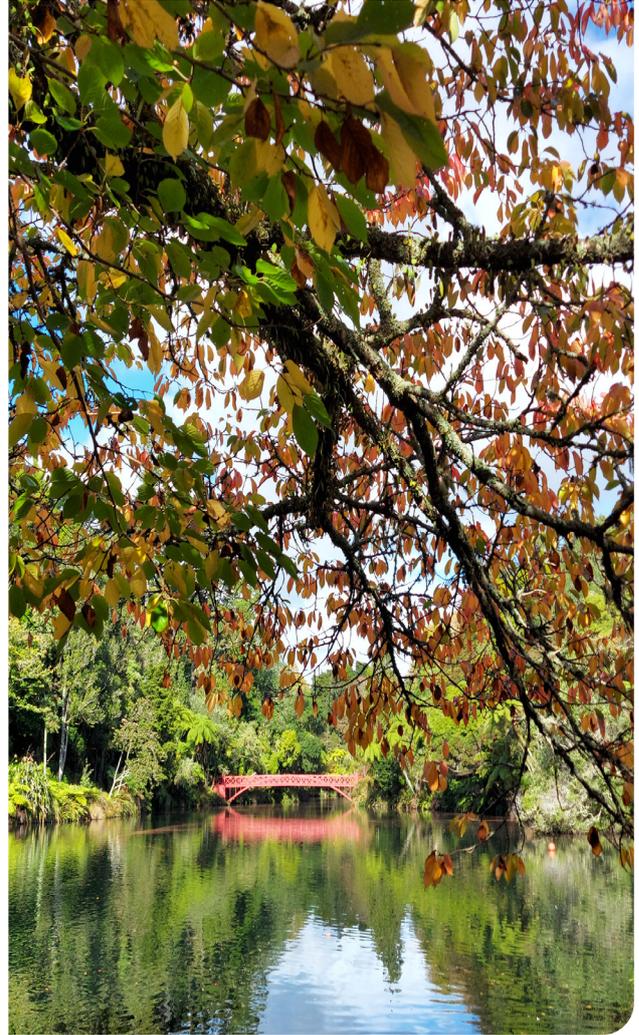
## Ngā Papa Rēhia me ngā Wāhi Tuwhera

### What we do

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

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

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



### Significant effects on community well-being

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

### Significant challenges during the year

The main challenges were compliance based requirements with the Pukekura Park Dams, Mangapouri Cemetery and biodiversity requirements from regional plans and Department of Conservation. Parks are scheduling solutions to the requirements by undertaking a work programme as budget becomes available.

# Parks and Open Spaces

## Ngā Papa Rēhia me ngā Wāhi Tuwhera

### Our commitment to you

	Target	Result	Comment
<b>Maintain quality district parks, reserves and open spaces.</b>			
The percentage of residents satisfied with the quality of the district's parks and reserves, including the Coastal Walkway and Pukekura Park (satisfaction survey <sup>1</sup> ).	95%	96%	(2022/23: 96% - Achieved)
The percentage of residents satisfied with the quality of the district's urban landscapes and streets (satisfaction survey <sup>1</sup> ).	95%	81%	Urban landscape quality is expected to improve with the implementation of the Ngāmotu New Plymouth City Centre Strategy. (2022/23: 89% - Not achieved)
The percentage of residents satisfied with the quality of the district's sports parks (satisfaction survey <sup>1</sup> ).	90%	95%	(2022/23: 94% (target 85%) - Achieved)
The percentage of residents satisfied with the quality of the district's playgrounds (satisfaction survey <sup>1</sup> ).	95%	94%	Compliance of playgrounds has increased with 96% compliance achieved in the latest independent audit. The quality of playgrounds is expected to increase with Destination Play construction at Kawaroa underway. (2022/23: 94% - Substantially achieved)
The percentage of Brooklands Zoo visitors satisfied with the zoo (in-house survey).	90%	97%	136 Brooklands Zoo visitors were surveyed. (2022/23: 96% - Achieved)
<b>Maintain access to the district's parks, reserves and open spaces.</b>			
The percentage of households in the district that are within 500 metres of a park, reserve or neighbourhood open space.	80%	84%	(2022/23: 84% - Achieved)
<b>Provide quality public toilets across the district.</b>			
The percentage of the community satisfied with the quality of the district's public toilets (satisfaction survey <sup>1</sup> ).	80%	83%	(2022/23: 83% - Achieved)

<sup>1</sup> All satisfaction survey targets are excluding 'don't know' responses.

# Parks and Open Spaces

## Ngā Papa Rēhia me ngā Wāhi Tuwhera

### Funding Impact Statement for the year ended 30 June 2024

	Notes	A/Plan 2023/24 \$'000	LTP 2022/23 \$'000	LTP 2023/24 \$'000	Actual 2023/24 \$'000
<b>Sources of operating funding</b>					
General rates, uniform annual charges, rates penalties		19,950	17,920	18,650	19,950
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		10	10	10	13
Fees and charges		2,340	2,240	2,290	2,396
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	8
<b>Total operating funding (A)</b>		<b>22,300</b>	<b>20,170</b>	<b>20,950</b>	<b>22,367</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	1	13,180	12,380	12,900	14,255
Finance costs		810	590	590	806
Internal charges and overheads applied		3,620	2,770	3,020	4,131
Other operating funding applications		-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>17,610</b>	<b>15,740</b>	<b>16,510</b>	<b>19,192</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>		<b>4,690</b>	<b>4,430</b>	<b>4,440</b>	<b>3,175</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure		2,000	1,540	50	1,069
Development and financial contributions		590	570	590	59
Increase/(decrease) in debt		1,320	1,560	8,250	2,152
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>3,910</b>	<b>3,670</b>	<b>8,890</b>	<b>3,280</b>
<b>Applications of capital funding</b>					
Capital expenditure:					
- to meet additional demand		820	550	570	183
- to improve the level of service		2,200	3,970	9,250	2,085
- to replace existing assets		7,270	3,820	2,020	3,244
Increase)/(decrease) in reserves	1	(1,690)	(240)	1,490	943
Increase/(decrease) of investments		-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>8,600</b>	<b>8,100</b>	<b>13,330</b>	<b>6,455</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>		<b>(4,690)</b>	<b>(4,430)</b>	<b>(4,440)</b>	<b>(3,175)</b>
<b>Funding balance (A-B) + (C-D)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Variance explanation Actual 2023/24 to Annual Plan 2023/24

1. Operating 'payments' are higher than budgeted due to \$0.33m New Plymouth Ngāmotu City Centre Strategy costs that have been funded from reserves, \$0.43m staff costs.

# Puke Ariki and Community Libraries

## Puke Ariki me ngā Whare Pukapuka ā-hapori

### What we do

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

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

We offer space for people to study and connect in welcoming and inclusive environments. Our dynamic people-orientated facilities protect and promote access to the heritage of the district, to the national heritage of Aotearoa New Zealand, and for lifelong learning opportunities.

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



### Significant effects on community well-being

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

### Significant challenges during the year

During the year Puke Ariki's largest challenge related to capacity pressures on staffing across our front-of-house teams, especially during cruise ship visit peaks and seasonal illness.

Several factors influenced our ability to achieve two exhibition key performance measures. The exhibition projects included in the 2022/23 financial year reporting period continued into the 2023/24 financial year, reducing the number of new projects.

# Puke Ariki and Community Libraries

## Puke Ariki me ngā Whare Pukapuka ā-hapori

### Our commitment to you

	Target	Result	Comment
<b>Provide an accessible and informative point of contact and booking service for visitors to New Plymouth District.</b>			
The percentage of customers satisfied with the i-SITE Visitor Information Centre (in-house survey).	98%	100%	Responses received from 375 customers surveyed. (2022/23: 100% - Achieved)
<b>Ensure library collections, including digital resources, are available to meet the needs of the community.</b>			
The number of items per capita is maintained.	3 to 3.5 items	3.1	(2022/23: 3.2 items - Achieved)
<b>Number of annual physical visits across Puke Ariki and community libraries (except during times of closure).</b>			
Average customers per week.	> previous year	10,757 per week	(2022/23: 9,896 per week - Achieved)
<b>Provide access to online information using public computing devices.</b>			
Free WiFi available and access to online information using public computers and customer devices is available.	Free access at all libraries	Achieved	(2022/23: Achieved)
<b>We offer widely accessible and engaging education programmes and public and community programmes.</b>			
The annual number of programmed learning opportunities on offer.	1,200	2,159	This includes 1,471 facilitated school education programmes (33,670 attendees) conducted throughout Puke Ariki, the Taranaki Research Centre, Discover It! and Community Libraries. (2022/23: 2,322 - Not achieved)
The number of participants attending.	29,000	43,890	(2022/23: 43,705 - Achieved)
The percentage of participants satisfied with programmes (in-house).	95%	97%	Feedback across museum, education and libraries (714 customers surveyed). (2022/23: 97% - Achieved)

# Puke Ariki and Community Libraries

## Puke Ariki me ngā Whare Pukapuka ā-hapori

	Target	Result	Comment
<b>Provide new, dynamic exhibitions regularly to ensure visitor engagement and repeat visits.</b>			
Refresh of permanent galleries.	1	1	Refresh of <i>Rua Toki Te Hau</i> and digital interactive in Te Takapou Whāriki Gallery completed. (2022/23: One - Achieved)
Temporary exhibitions annually.	2	1	<i>Kount 5 Plus 2</i> opened from 9 December 2023 to 9 June 2024. (2022/23: Two - Achieved)
Additional exhibitions per year in other Gallery spaces.	4	3	<i>Te Kitenga o Hina</i> (Wall Gallery), <i>Mā wai kē atu</i> (Lane Gallery) and the Museum Theatre <i>Welcome to Ngāmotu</i> . (2022/23: Four - Achieved)
<b>Provide online access to the heritage collection through a variety of platforms.</b>			
Addition of digital product/experiences and other digital platform exhibitions per year.	4	8	Completed projects include: <i>Te Kitenga o Hina</i> exhibition interactives, <i>Kount Five Plus Two</i> exhibition interactives, Vernon CMS Upgrade, Vernon Training, Temporary Exhibition Gallery digital feedback screen, <i>Rua Toki Te Hau</i> digital interactive (Te Takapou Whāriki), Visual Tours updates, 3D Samoan Adze Project. (2022/23: Six - Achieved)

# Puke Ariki and Community Libraries

## Puke Ariki me ngā Whare Pukapuka ā-hapori

### Funding Impact Statement for the year ended 30 June 2024

	Notes	A/Plan 2023/24 \$'000	LTP 2022/23 \$'000	LTP 2023/24 \$'000	Actual 2023/24 \$'000
<b>Sources of operating funding</b>					
General rates, uniform annual charges, rates penalties		12,660	12,740	12,830	12,660
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		220	560	400	54
Fees and charges		450	410	460	480
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
<b>Total operating funding (A)</b>		<b>13,330</b>	<b>13,710</b>	<b>13,690</b>	<b>13,194</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers		7,360	7,340	7,600	7,699
Finance costs		-	-	-	-
Internal charges and overheads applied		3,800	3,870	3,600	3,820
Other operating funding applications		-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>11,160</b>	<b>11,210</b>	<b>11,200</b>	<b>11,519</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>		<b>2,170</b>	<b>2,500</b>	<b>2,490</b>	<b>1,675</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	382
Increase/(decrease) in debt		(160)	80	480	(404)
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>(160)</b>	<b>80</b>	<b>480</b>	<b>(22)</b>
<b>Applications of capital funding</b>					
Capital expenditure:					
- to meet additional demand		10	-	-	-
- to improve the level of service		80	100	390	(39)
- to replace existing assets		1,910	2,120	2,350	1,941
Increase/(decrease) in reserves		10	360	230	(250)
Increase/(decrease) of investments		-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>2,010</b>	<b>2,580</b>	<b>2,970</b>	<b>1,653</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>		<b>(2,170)</b>	<b>(2,500)</b>	<b>(2,490)</b>	<b>(1,675)</b>
<b>Funding balance (A-B) + (C-D)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Variance explanation Actual 2023/24 to Annual Plan 2023/24

There are no material variances for this activity.

# Stormwater Management

## Whakahaere Wai Marangai

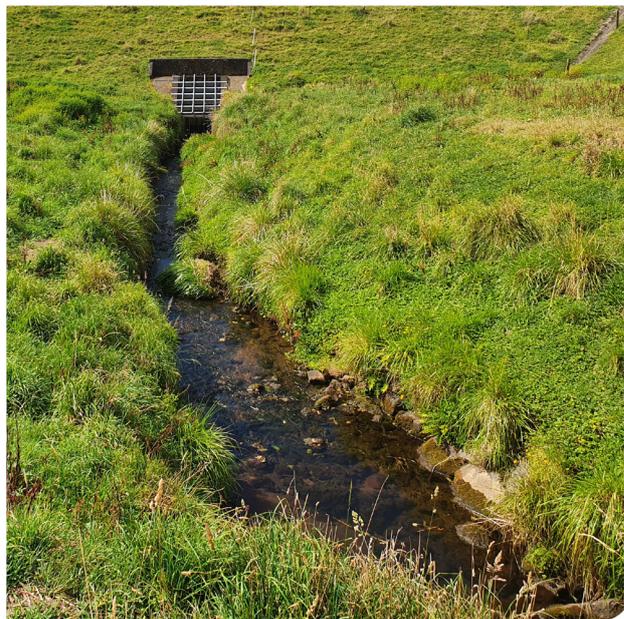
---

### What we do

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

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

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



### Significant effects on community well-being

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

### Significant challenges during the year

We have experienced several weather events in the district which have tested parts of our network, however we have generally managed to handle the water volumes within our reticulation. Though CCTV inspection we have found several pipes in Inglewood in very poor condition requiring immediate and unbudgeted pipelining to prevent further deterioration. We expect we will find more pipes in poor condition in our network as we expand the CCTV inspection programme.

# Stormwater Management

## Whakahaere Wai Marangai

### Our commitment to you

	Target	Result	Comment
<b>Provide a stormwater management system that protects people and property.</b>			
The number of flooding events in the district per financial year.	0	0	(2022/23: None - Achieved)
The number of habitable floors affected in each flooding event (per 1,000 properties connected to NPDC's stormwater system).	1 or less	0	(2022/23: None - Achieved)
<b>Comply with all resource consents for discharges from our stormwater system.</b>			
The number of abatement notices received.	0	0	(2022/23: None - Achieved)
The number of infringement notices received.	0	0	(2022/23: None - Achieved)
The number of enforcement orders received.	0	0	(2022/23: None - Achieved)
The number of convictions received.	0	0	(2022/23: None - Achieved)
<b>Respond to service requests in a timely manner.</b>			
Note. The times shown for 'attendance' and 'resolution' are reported by NPDC's operation and maintenance contractor, Citycare, as part of their contracted responsibilities. This includes travel time. The accuracy of these times have been verified by NPDC.			
The median response time to a flooding event (from the time that NPDC receives notification to the time service personnel reach the site).	One hour	0.43 hours	(2022/23: 0.55 hours - Achieved)
<b>Ensure customers are satisfied with the performance of our stormwater system.</b>			
The number of complaints received about the performance of NPDC's stormwater system (per 1,000 properties connected).	8 or less	3.07	There were 99 complaints from 32,205 connections to the stormwater system. The measure allows for 64 or less complaints for each quarter. (2022/23: 3.73 - Achieved)
The percentage of residents satisfied with the quality and safety of the district's stormwater supply (satisfaction survey <sup>1</sup> ). <sup>2</sup>	70%	90%	(2022/23: 88% - result taken from 2023 satisfaction survey)

<sup>1</sup> All satisfaction survey targets are excluding 'don't know' responses.

<sup>2</sup> This measure is not included in the prior year's annual report and Long-Term Plan 2021-2031. It has been included to provide a more balanced measure of customer satisfaction.

# Stormwater Management

## Whakahaere Wai Marangai

### Funding Impact Statement for the year ended 30 June 2024

	Notes	A/Plan 2023/24 \$'000	LTP 2022/23 \$'000	LTP 2023/24 \$'000	Actual 2023/24 \$'000
<b>Sources of operating funding</b>					
General rates, uniform annual charges, rates penalties		4,410	2,840	4,480	4,410
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes	1	-	-	-	598
Fees and charges		10	10	10	3
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
<b>Total operating funding (A)</b>		<b>4,420</b>	<b>2,850</b>	<b>4,490</b>	<b>5,012</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	2	1,620	1,360	1,690	2,347
Finance costs		550	180	180	552
Internal charges and overheads applied		990	710	740	1,276
Other operating funding applications		-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>3,160</b>	<b>2,250</b>	<b>2,610</b>	<b>4,175</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>		<b>1,260</b>	<b>600</b>	<b>1,880</b>	<b>836</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		350	330	350	92
Increase/(decrease) in debt		3,110	2,650	2,773	1,674
Gross proceeds from sale of assets		400	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>3,860</b>	<b>2,980</b>	<b>3,110</b>	<b>1,766</b>
<b>Applications of capital funding</b>					
Capital expenditure:					
- to meet additional demand	3	1,510	280	1,090	544
- to improve the level of service	2	2,230	3,110	2,410	1,222
- to replace existing assets		700	1,610	2,860	1,762
Increase/(decrease) in reserves		680	(1,420)	(1,370)	(926)
Increase/(decrease) of investments		-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>5,120</b>	<b>3,580</b>	<b>4,990</b>	<b>2,602</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>		<b>(1,260)</b>	<b>(600)</b>	<b>(1,880)</b>	<b>(836)</b>
<b>Funding balance (A-B) + (C-D)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Variance explanation Actual 2023/24 to Annual Plan 2023/24

1. Unbudgeted funding of \$0.6m received from Ministry of Environment for Tangaroa Restoration Project.
2. Variance between application of operating funding and application of capital funding relates to Tangaroa Restoration Project, for which a portion of costs incurred were recognised as operating expenditure, whereas the project was budgeted entirely as capital expenditure.
3. Capital expenditure is lower than budget.

# Transportation

## Ngā waka kawenga

### What we do

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

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

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

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



### Significant effects on community well-being

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

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

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

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

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

### Significant challenges during the year

Council activities have generally been maintained at their pre-existing levels of service, despite a high construction inflation impact (for a third year in a row). On a positive note, the continued declining community satisfaction levels have been arrested or improved. The impact of forestry harvest activities on low volume roads is an ongoing challenge as is the liability to Council due to the lack of available NZ Transport Agency Waka Kotahi funding contribution in road maintenance, operations and renewals.

# Transportation

## Ngā waka kawenga

### Our commitment to you

	Target	Result	Comment
<b>Provide a local roading network that is safe for all road users.</b>			
The change from the previous financial year in the number of fatality and serious injury crashes on the district's local roading network.	Reducing	+1	24 fatal and serious injury crashes on New Plymouth District roads, excluding state highways.  Results extracted from Crash Analysis System in July 2024, but data reliability dependent on input timelines in data processing. <sup>1</sup>  (2022/23: +4 - Not achieved)
<b>Provide good quality district roads.</b>			
The average quality of ride on the district's sealed local road network, as measured by smooth travel exposure.	90%	86%	A slight improvement from 2022/23. (2022/23: 85% (target 89%) - Not achieved)
The percentage of residents satisfied with the overall quality of the district's roads (satisfaction survey <sup>2</sup> ).	85%	51%	Decreasing trend arrested. Since the state highways impact on this response, it is difficult to assess if this was because state highways are improving or other reasons.  (2022/23: 51% - Not achieved)

	2023/24		2022/23	
	Change	Actual	Change	Actual
<b>Deaths and Serious Injuries (DSI)</b>				
Fatal crashes	Nil	1	-2	1
Serious injury crashes	+1	23	+6	22

<sup>2</sup> All satisfaction survey targets are excluding 'don't know' responses.

# Transportation

## Ngā waka kawenga

	Target	Result	Comment
<b>Appropriately maintain the district's sealed roads.</b>			
The minimum percentage of the sealed local road network that is resurfaced.	4%	4%	46 km out of 1,145 km of sealed roads were resealed. (2022/23: 4.7% - Achieved)
<b>Provide a high quality and safe footpath network.</b>			
The percentage of footpaths that meet the levels of service and service standards in current condition surveys, as set out in the Transportation Asset Management Plan.	More than 90% of footpath length surveyed in good or excellent condition	94%	No change as the next condition survey will not take place until 2025/26. (2022/23: 94% - Achieved)
Footpath length recorded as failed.	Less than 1% of footpath length recorded as failed	3%	No change as the next condition survey will not take place until 2025/26. (2022/23: 3% - Substantially achieved)
<b>Respond to service requests in a timely manner.</b>			
The percentage of roading and footpath related customer service requests responded to within target timeframes. <sup>3</sup>	95%	97%	Only 121 from 3,848 service requests were responded to late. (2022/23: 98% - Achieved)
<b>Provide a quality and safe cycle network.</b>			
The percentage of residents satisfied with the quality and safety of the district's cycle network (satisfaction survey <sup>4</sup> ).	85%	73%	Improving trend. The NZ Transport Agency Waka Kotahi Communities at Risk Register does support this survey result. (2022/23: 71% - Not achieved)

<sup>3</sup> Service request timeframes:

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

<sup>4</sup> All satisfaction survey targets are excluding 'don't know' responses.

# Transportation

## Ngā waka kawenga

### Funding Impact Statement for the year ended 30 June 2024

	Notes	A/Plan 2023/24 \$'000	LTP 2022/23 \$'000	LTP 2023/24 \$'000	Actual 2023/24 \$'000
<b>Sources of operating funding</b>					
General rates, uniform annual charges, rates penalties		19,370	15,120	15,400	19,370
Targeted rates		4,990	4,610	4,790	5,033
Subsidies and grants for operating purposes	1	5,020	4,590	5,370	4,658
Fees and charges	1	930	1,530	1,580	1,470
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		580	580	580	633
<b>Total operating funding (A)</b>		<b>30,890</b>	<b>26,430</b>	<b>27,720</b>	<b>31,164</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	2	13,250	13,120	12,620	17,055
Finance costs		2,870	1,630	2,100	2,867
Internal charges and overheads applied		4,590	3,750	3,930	4,187
Other operating funding applications		-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>20,710</b>	<b>18,500</b>	<b>18,650</b>	<b>24,109</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>		<b>10,180</b>	<b>7,930</b>	<b>9,070</b>	<b>7,055</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	3	29,850	9,820	14,370	17,342
Development and financial contributions		100	90	100	69
Increase/(decrease) in debt		8,690	8,290	10,640	8,284
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>38,640</b>	<b>18,200</b>	<b>25,110</b>	<b>25,695</b>
<b>Applications of capital funding</b>					
Capital expenditure:					
- to meet additional demand		4,700	1,490	1,900	1,674
- to improve the level of service	3	29,010	14,060	16,610	20,246
- to replace existing assets	2	16,060	14,430	16,610	9,414
Increase/(decrease) in reserves		(950)	(3,850)	(930)	1,416
Increase/(decrease) of investments		-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>48,820</b>	<b>26,130</b>	<b>34,190</b>	<b>32,750</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>		<b>(10,180)</b>	<b>(7,930)</b>	<b>(9,070)</b>	<b>(7,055)</b>
<b>Funding balance (A-B) + (C-D)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Variance explanation Actual 2023/24 to Annual Plan 2023/24

1. State highways funding recognised as expenses recovered, budgeted as subsidies.
2. Operating 'payments' are higher than budgeted for local roads due to additional maintenance offset by lower renewals.
3. Capital expenditure 'improvements' is lower than budget due to expected delivery of 'Transport Choices projects' funded from capital subsidies received from NZ Transport Agency Waka Kotahi.

# Venues and Events

## Ngā hinonga me Ngā Whakaaturanga

### What we do

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

Our Venues and Events service plans and delivers the annual TSB Festival of Lights, the TSB Winter Festival of Lights and a number of civic and community events, including local Waitangi Day celebrations.

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

We are also responsible for the Todd Energy Aquatic Centre and four community pools which operate over summer. The Aquatic Centre provides for a range of ages and activities, including learn to swim and fitness classes. NPDC also provides financial support for the Bell Block Community Pool.



### Significant effects on community well-being

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

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

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

### Significant challenges during the year

The venues and events industry continues to feel the impact of a challenging economy. Increases to goods and services, freight, insurance, personnel costs, fees and charges provides constant need to adapt and change how the service is delivered.

Ageing facilities have seen required planned and unplanned maintenance undertaken at the expense of them being available to hire. The final stages to the Yarrow Stadium rebuild has meant another year of restricted level of service.

The aquatics industry continues to be challenged with the recruitment and retention of lifeguards and experienced staff.

Despite the ongoing challenges, our venues, events and services continue to experience a high demand that meant a constant need to balance the desires of our user groups and community.

# Venues and Events

## Ngā hinonga me Ngā Whakaaturanga

### Our commitment to you

	Target	Result	Comment
<b>Provide high quality pools that encourage community participation in aquatic activities.</b>			
The percentage of residents satisfied with NPDC's swimming facilities (satisfaction survey <sup>1</sup> ).	95%	94%	Survey results may have been impacted by ageing facilities and maintenance work required.  (2022/23: 92% (target 94%) - Substantially achieved)
The number of pool patrons per year.	390,000	384,760	Numbers continue to increase year on year. With ongoing challenges post Covid, alongside a change in economic climate, these factors may have impacted on patron numbers.  (2022/23: 362,837- Not achieved)
<b>Provide a range of appealing events at high quality venues.</b>			
The percentage of residents satisfied with NPDC's events (satisfaction survey <sup>1</sup> ).	95%	92%	Survey results may have been impacted by weather related events.  (2022/23: 94% - Substantially achieved)
The percentage of residents satisfied with NPDC's events venues (satisfaction survey <sup>1</sup> ).	94%	96%	(2022/23: 96% (target 93%) - Achieved)
<b>Provide a network of high quality venues that create opportunities for the community to attend arts, cultural, sporting and recreation activities.</b>			
The number of attendees and events/ bookings across all venues.	280,000 attendees	304,178 attendees	(2022/23: 301,816 - Achieved)
	1,000 events	862 events	Although the number of events was not met, the number of attendees exceeded. Events delivered were held over longer periods but had higher volume of attendees. Planned maintenance work meant the TSB Showplace was out of action for an extended period of time.  (2022/23: 949 - Not achieved)

<sup>1</sup> All satisfaction survey targets are excluding 'don't know' responses.

# Venues and Events

## Ngā hinonga me Ngā Whakaaturanga

### Funding Impact Statement for the year ended 30 June 2024

	Notes	A/Plan 2023/24 \$'000	LTP 2022/23 \$'000	LTP 2023/24 \$'000	Actual 2023/24 \$'000
<b>Sources of operating funding</b>					
General rates, uniform annual charges, rates penalties		12,010	9,530	10,480	12,010
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		790	840	1,010	1,047
Fees and charges	1	4,050	4,390	4,730	4,974
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
<b>Total operating funding (A)</b>		<b>16,850</b>	<b>14,760</b>	<b>16,220</b>	<b>18,031</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers		11,280	10,120	11,340	11,117
Finance costs		-	-	-	-
Internal charges and overheads applied		3,330	2,690	2,820	3,542
Other operating funding applications		-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>14,610</b>	<b>12,810</b>	<b>14,160</b>	<b>14,659</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>		<b>2,240</b>	<b>1,950</b>	<b>2,060</b>	<b>3,372</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		30	30	30	166
Increase/(decrease) in debt		3,280	2,920	6,170	3,488
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>3,310</b>	<b>2,950</b>	<b>6,200</b>	<b>3,654</b>
<b>Applications of capital funding</b>					
Capital expenditure:					
- to meet additional demand		140	350	710	147
- to improve the level of service		3,330	3,010	5,730	3,507
- to replace existing assets		1,660	1,140	1,230	1,353
Increase/(decrease) in reserves	1	420	400	580	2,020
Increase/(decrease) of investments		-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>5,550</b>	<b>4,900</b>	<b>8,250</b>	<b>7,026</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>		<b>(2,240)</b>	<b>(1,950)</b>	<b>(2,060)</b>	<b>(3,372)</b>
<b>Funding balance (A-B) + (C-D)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Variance explanation Actual 2023/24 to Annual Plan 2023/24

1. Extra concert than budgeted - Matchbox 20 at the Bowl of Brooklands. Surplus in reserves.

# Waste Management and Minimisation

## Whakahaere Para me tāna Whakaitinga

### What we do

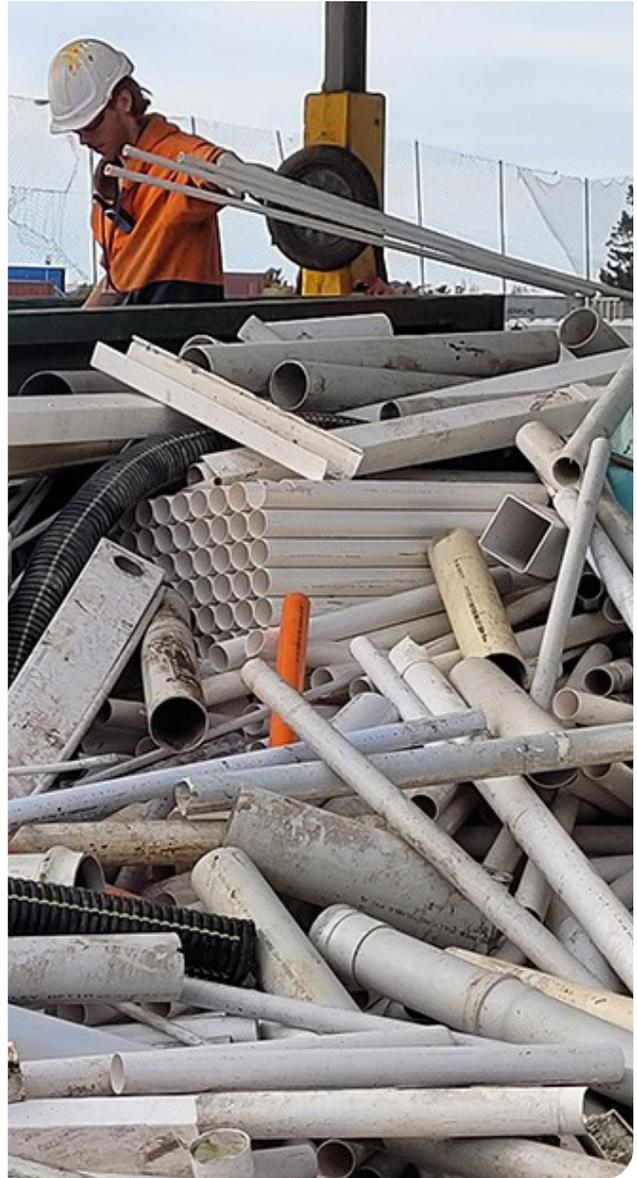
**We promote zero waste and waste minimisation in the district. We also manage kerbside collection, and operate four rural transfer stations and the New Plymouth Resource Recovery Facility.**

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

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

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

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



### Significant effects on community well-being

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

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

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

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

# Waste Management and Minimisation

## Whakahaere Para me tāna Whakaitinga

### Significant challenges during the year

Opening the Commercial and Industrial Waste Sorting Facility (Sorting Depot) in July 2023 required collaboration with various parties and ensuring that end markets and customers were on board. Securing customers in the early stages has proved harder than predicted, but these are now picking up. Ongoing effort on ensuring that we get scheme buy-in and having the correct product types into the facility will be key going forward.

The Colson Road Landfill required additional capping to be placed as waste was found higher up than expected. To ensure that the correct slope was achieved additional liner had to be extended to ensure future proofing of leaching was not a risk. This involved additional cost and time during the season.

As we have seen since the Covid-19 pandemic, this year had an increase of waste to landfill per household. Further work on encouraging residents to make the best use of Council services will be needed to achieve ongoing waste reduction.

The contract for kerbside collection is due to change service provider on 1 October 2024. We are optimistic that this change will come with greater efficiencies and address many of the performance issues of the past.

On the positive, recent surveys show that 85 per cent of our community are satisfied with overall kerbside rubbish and recycling collection. This surpasses the benchmark of 81 per cent when compared to similar councils.

### Our commitment to you

	Target	Result	Comment
<b>Encourage district-wide waste minimisation.</b>			
The reduction in total landfill waste generated per capita in the district (measured as a year on year percentage).	10%	2.4% reduction	304 kg per capita (2022/23: 311 kg). The delayed opening of The Sorting Depot meant target reduction not achieved. (2022/23: 3% increase (target 5%) - Substantially achieved)
The reduction in landfill waste generated per household (measured as a year on year percentage).	5%	1.5% increase	262 kg per household (2022/23: 258 kg). Since the pandemic, ongoing waste reduction at home continues to be a challenge. (2022/23: 1% increase - Not achieved)

# Waste Management and Minimisation

## Whakahaere Para me tāna Whakaitinga

	Target	Result	Comment
<b>Comply with all resource consents related to waste management and minimisation.</b>			
The number of abatement notices received.	0	1	One abatement notice was received due to a possible leak in the Colson Road Landfill underliner. (2022/23: None - Achieved)
The number of infringement notices received.	0	0	(2022/23: None - Achieved)
The number of enforcement orders received.	0	0	(2022/23: None - Achieved)
The number of convictions received.	0	0	(2022/23: None - Achieved)
<b>Ensure customers are satisfied with our waste management and minimisation service.</b>			
The number of complaints about the Council's waste management and minimisation service received (per 1,000 customers).	2 or less	1.43	There have been 44 complaints from 30,774 customers. The measure allows for 36 or less complaints for each quarter. (2022/23: 2.72 - Not achieved)

# Waste Management and Minimisation

## Whakahaere Para me tāna Whakaitinga

### Funding Impact Statement for the year ended 30 June 2024

	Notes	A/Plan 2023/24 \$'000	LTP 2022/23 \$'000	LTP 2023/24 \$'000	Actual 2023/24 \$'000
<b>Sources of operating funding</b>					
General rates, uniform annual charges, rates penalties		4,940	3,930	3,930	4,940
Targeted rates		6,310	5,210	5,570	6,301
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges	1,2	8,010	7,680	8,530	5,228
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
<b>Total operating funding (A)</b>		<b>19,260</b>	<b>16,820</b>	<b>18,030</b>	<b>16,469</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	1,2	15,850	13,940	14,690	13,299
Finance costs		-	-	-	-
Internal charges and overheads applied		3,150	2,040	2,080	3,395
Other operating funding applications		-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>19,000</b>	<b>15,980</b>	<b>16,770</b>	<b>16,694</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>		<b>260</b>	<b>840</b>	<b>1,260</b>	<b>(225)</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure		-	-	-	380
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		1,880	(160)	(220)	1,478
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>1,880</b>	<b>(160)</b>	<b>(220)</b>	<b>1,858</b>
<b>Applications of capital funding</b>					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service	3	2,640	3,970	630	1,858
- to replace existing assets		770	190	160	321
Increase/(decrease) in reserves	3	(1,270)	(3,480)	250	(546)
Increase/(decrease) of investments		-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>2,140</b>	<b>680</b>	<b>1,040</b>	<b>1,633</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>		<b>(260)</b>	<b>(840)</b>	<b>(1,260)</b>	<b>225</b>
<b>Funding balance (A-B) + (C-D)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Variance explanation Actual 2023/24 to Annual Plan 2023/24

1. Operating 'fees and charges' and 'payments' are lower than budgeted due to the Commercial Material Recovery Facility's lower activity.
2. Operating 'fees and charges' and 'payments' are lower than budgeted due to landfill logging activity at Colson Road.
3. Capital expenditure is lower than budgeted due to the delay to 2024/25 of the Junction permanent building, to be funded from reserves.

# Wastewater Treatment

## Rāwekeweke Waipara

### What we do

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

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

The wastewater network comprises a centralised treatment plant, 33 pump stations and 685 kilometres of sewer network. On average, we handle 25 million litres of wastewater each day, servicing more than 30,000 properties. We also monitor the flow of trade waste into the network.

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



### Significant effects on community well-being

The Wastewater Management service contributes to the social, economic and environmental well-beings, by safely treating the disposal of wastewater to avoid negative public health and environmental impacts. However, NPDC acknowledges that there are possible negative impacts in the event of service failure. Social, environmental and cultural well-being can be impacted by the risk of overflows into rivers and streams. This is mitigated through regular inspections, maintenance, and renewals.

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

### Significant challenges during the year

Some parts of our wastewater reticulation have been under pressure due to groundwater and stormwater entering the system via cracked pipes and illegal direct connections. This can lead to overflows during rainy weather. We have also experienced overflows as a result of blockages in the pipes due to rubbish that has been flushed down toilets or fat poured into drains. This requires ongoing education with our community to only flush the three Ps – pee poo and (toilet) paper everything else should go in the rubbish bin.

### Our commitment to you

	Target	Result	Comment
<b>Provide an effective wastewater treatment and disposal system.</b>			
The number of dry weather sewerage overflows per 1,000 connections to the wastewater system.	1.5	0.19	There were six dry weather unauthorised discharges from the sewerage system (2022/23: 5). The number of connections for 2023/24 was 30,917 (2022/23: 30,856). (2022/23: 0.16 - Achieved)

# Wastewater Treatment

## Rāwekeweke Waipara

	Target	Result	Comment
<b>Comply with all resource consents for wastewater discharge from our system.</b>			
The number of abatement notices received.	0	0	(2022/23: 1 - Not achieved)
The number of infringement notices received.	0	1	One infringement notice was issued for ponding of septic tank effluent in a paddock at Urenui disposal field. Received on 1 July 2024 but included in 2023/24 report as this is the year in which the discharge event occurred.  (2022/23: None - Achieved)
The number of enforcement orders received.	0	0	(2022/23: None - Achieved)
The number of convictions received.	0	0	(2022/23: None - Achieved)
<b>Respond to customer and maintenance requests in a timely manner.</b>			
Note. The times shown for 'attendance' and 'resolution' are reported by NPDC's operation and maintenance contractor, Citycare, as part of their contracted responsibilities. This includes travel time. The accuracy of these times have been verified by NPDC.			
The median response time to sewerage overflow callouts (from the time NPDC receives notification to the time that service personnel reach the site).	1 hour or less	0.59 hours	(2022/23: 0.64 - Achieved)
The median resolution time for sewerage overflow callouts (from the time NPDC receives notification to the time that service personnel confirm resolution of the fault or interruption).	4 hours or less for sewers <250 dia	1.82 hours	(2022/23: 2.02 - Achieved)
	8 hours or less for sewers ≥ 250 dia	No callouts	(2022/23: No callouts - Achieved)
<b>Ensure customers are satisfied with the wastewater treatment and disposal service.</b>			
The total number of complaints received about sewerage odour; system faults or blockages; or NPDC's response to issues with the sewerage system (per 1,000 connected properties).	13 or less	3.82	There were 118 complaints from 30,917 connections to the wastewater system. The measure allows for 100 or less complaints for each quarter.  (2022/23: 5.38 - Achieved)
The percentage of residents satisfied with the quality and safety of the district's wastewater treatment system (satisfaction survey <sup>1</sup> )- <sup>2</sup>	80%	91%	(2022/23: 93% - result taken from 2023 satisfaction survey)

<sup>1</sup> All satisfaction survey targets are excluding 'don't know' responses.

<sup>2</sup> This measure is not included in the prior year's annual report and Long-Term Plan 2021-2031. It has been included to provide a more balanced measure of customer satisfaction.

# Wastewater Treatment

## Rāwekeweke Waipara

### Funding Impact Statement for the year ended 30 June 2024

	Notes	A/Plan 2023/24 \$'000	LTP 2022/23 \$'000	LTP 2023/24 \$'000	Actual 2023/24 \$'000
<b>Sources of operating funding</b>					
General rates, uniform annual charges, rates penalties		-	-	-	-
Targeted rates		19,420	19,730	21,310	19,645
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		2,640	2,410	2,410	2,773
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
<b>Total operating funding (A)</b>		<b>22,060</b>	<b>22,140</b>	<b>23,720</b>	<b>22,418</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	1	7,070	7,130	7,730	7,969
Finance costs		2,860	1,740	1,760	2,862
Internal charges and overheads applied		6,300	5,430	5,620	7,378
Other operating funding applications		-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>16,230</b>	<b>14,300</b>	<b>15,110</b>	<b>18,208</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>		<b>5,830</b>	<b>7,840</b>	<b>8,610</b>	<b>4,210</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	2	22,610	5,970	14,150	4,500
Development and financial contributions		1,630	1,570	1,630	376
Increase/(decrease) in debt	2	4,640	3,760	8,680	11,621
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>28,880</b>	<b>11,300</b>	<b>24,460</b>	<b>16,497</b>
<b>Applications of capital funding</b>					
Capital expenditure:					
- to meet additional demand		4,950	2,750	2,560	4,538
- to improve the level of service		24,560	10,690	17,380	21,682
- to replace existing assets		8,070	8,160	11,110	6,450
Increase/(decrease) in reserves	1	(2,870)	(2,460)	2,020	(11,964)
Increase/(decrease) of investments		-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>34,710</b>	<b>19,140</b>	<b>33,070</b>	<b>20,707</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>		<b>(5,830)</b>	<b>(7,840)</b>	<b>(8,610)</b>	<b>(4,210)</b>
<b>Funding balance (A-B) + (C-D)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Variance explanation Actual 2023/24 to Annual Plan 2023/24

1. Operating 'payments' are higher than budgeted due to increased cost of operations at New Plymouth Wastewater Treatment Plant and urgent pump station maintenance funded from reserves.
2. Thermal Dryer funding will be received once further milestones are completed. Debt funded until received.

# Water Supply

## Whakaputunga Wai

---

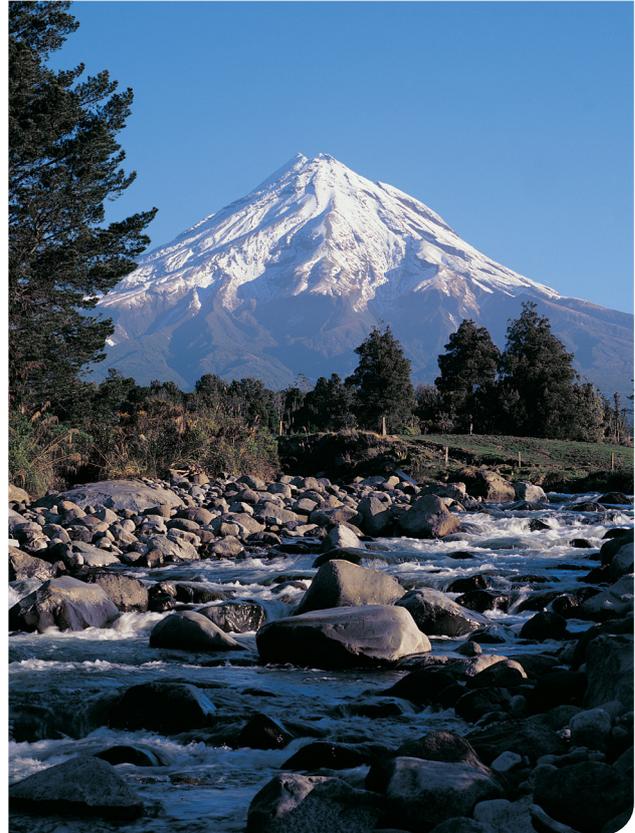
### What we do

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

There are four separate water supplies in the district - New Plymouth (including Omata, Bell Block, Waitara and Urenui), Inglewood, Ōākura and Okato. Combined, these facilities supply approximately 33.2 million litres of water per day to just over 29,000 households and businesses in defined urban and rural areas.

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

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



### Significant effects on community well-being

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

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

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

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

### Significant challenges during the year

The reticulation network performed very well during the year with our maintenance contractor attending 3,102 maintenance calls. We have continued to roll out water meters with over 16,051 meters installed (63 per cent of the 25,500 total). The water meter project has assisted the Network Team to identify private property leaks and restore them quickly. This has resulted in saving over 800,000 litres of water per day (for comparison Ōākura township uses an average of 862,000 litres per day – we are now saving this amount due to leakages found by metering).

# Water Supply

## Whakaputunga Wai

### Our commitment to you

	Target	Result	Comment
<b>Provide water that is safe to drink.</b>			
Our level of compliance with Part 4 of the Drinking-water Standards (bacteria compliance criteria).	Full compliance	Substantially achieved	Fully achieved for New Plymouth, Ōkato and Ōākura. Not fully achieved for Inglewood due to a power outage temporarily shutting down the plant for <2 hours. <sup>1</sup>  (2022/23: Substantially achieved)
Our level of compliance with Part 5 of the Drinking-water Standards (protozoal compliance criteria).	Full compliance	Substantially achieved	Fully achieved for Inglewood, Ōkato and Ōākura. Achieved 99.5% for New Plymouth (364 out of 366 days). <sup>2</sup>  (2022/23: Full compliance - Achieved)
<b>Maintain the reticulated water network in good condition.</b>			
The percentage of real water loss from NPDC's networked reticulation system. <sup>3</sup>	20% or less	18%	(2022/23: 19% - Achieved)
<b>Respond to faults and unplanned interruptions to the water supply network in a timely manner.</b>			
Note. The times shown for 'attendance' and 'resolution' are reported by NPDC's operation and maintenance contractor, Citycare, as part of their contracted responsibilities. This includes travel time. The accuracy of these times have been verified by NPDC.			
The median response time to urgent callouts (from the time that NPDC receives notification to the time that service personnel reach the site).	1 hour or less	0.61 hours	(2022/23: 0.58 - Achieved)
The median resolution time for urgent callouts (from the time NPDC receives notification, to the time that service personnel confirm resolution of the fault or interruption).	4 hours or less for mains <250 dia	1.66 hours	(2022/23: 1.51 - Achieved)
	8 hours or less for mains ≥ 250 dia	No callouts	(2022/23: No callouts - Achieved)
The median response time to non-urgent callouts (from the time NPDC receives notification to the time that service personnel reach the site).	70 hours or less	32.50 hours	(2022/23: 42.76 - Achieved)
The median resolution time for non-urgent callouts (from the time NPDC receives notification to the time that service personnel confirm resolution of the fault or interruption).	116 hours or less	70.74 hours	(2022/23: 64.88 - Achieved)

<sup>1</sup> DWQAR for Inglewood was not met but this was considered not a risk to water quality as it was a power outage and the plant shuts down during these events. All water already in the reticulation has been fully treated.

<sup>2</sup> DWQAR not met on two days out of 366 for New Plymouth protozoa due to achieving 3.5 log removal as opposed to 4 log removal. Previous standards required 3 log removal. We have updated programming to ensure filters comply.

<sup>3</sup> Water loss calculation: We calculate the percentage of water loss by dividing the annual volume of water loss by the total amount of treated water supplied for the year (obtained from water meter records from the Water Treatment Plant). To calculate the annual volume of water loss, we determine the minimum night flow (the average flow between 2am and 4am for the lowest 20 days of the year divided by the number of connections) and subtract the legitimate night usage per property (assumed to be six litres per property per hour). The difference is the estimated volume of water loss per property.

# Water Supply

## Whakaputunga Wai

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

	Target	Result	Comment
<b>Ensure customers are satisfied with our water supply service.</b>			
The total number of complaints (per 1,000 connections) received about any of the following: <ul style="list-style-type: none"> <li>drinking water clarity, taste or odour;</li> <li>drinking water pressure or flow;</li> <li>continuity of supply; and</li> <li>NPDC's response to any of these issues.</li> </ul>	16 or less	14.51	There were 425 complaints from 29,300 connections to the water system. The measure allows for 16 or less complaints for each quarter.  2022/23: 16.91 - Substantially achieved)
The percentage of residents satisfied with the quality and safety of the district's water supply (satisfaction survey <sup>4</sup> ). <sup>5</sup>	80%	90%	(2022/23: 93% - result taken from 2023 satisfaction survey)
<b>Manage demand to minimise the impact of water supply activities on the environment.</b>			
The average consumption of drinking water per day, per resident, within New Plymouth District.	300 litres per day	295 litres per day	(2022/23: 315 litres - Not achieved)
The number of abatement notices received.	0	0	(2022/23: None - Achieved)
The number of infringement notices received.	0	0	(2022/23: None - Achieved)
The number of enforcement orders received.	0	0	(2022/23: None - Achieved)
The number of convictions received.	0	0	(2022/23: None - Achieved)

<sup>4</sup> All satisfaction survey targets are excluding 'don't know' responses.

<sup>5</sup> This measure is not included in the prior year's annual report and Long-Term Plan 2021-2031. It has been included to provide a more balanced measure of customer satisfaction.

# Water Supply

## Whakaputunga Wai

### Funding Impact Statement for the year ended 30 June 2024

	Notes	A/Plan 2023/24 \$'000	LTP 2022/23 \$'000	LTP 2023/24 \$'000	Actual 2023/24 \$'000
<b>Sources of operating funding</b>					
General rates, uniform annual charges, rates penalties		-	-	-	-
Targeted rates		16,230	15,910	17,060	16,313
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		230	230	230	306
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
<b>Total operating funding (A)</b>		<b>16,460</b>	<b>16,140</b>	<b>17,290</b>	<b>16,618</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	1,2	5,070	5,660	6,300	6,963
Finance costs		2,610	1,700	1,790	2,615
Internal charges and overheads applied		5,040	4,780	4,970	4,928
Other operating funding applications		-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>12,720</b>	<b>12,140</b>	<b>13,060</b>	<b>14,506</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>		<b>3,740</b>	<b>4,000</b>	<b>4,230</b>	<b>2,113</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure		70	-	-	77
Development and financial contributions		500	480	500	295
Increase/(decrease) in debt	2	6,120	4,360	10,240	9,988
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>6,690</b>	<b>4,840</b>	<b>10,730</b>	<b>10,361</b>
<b>Applications of capital funding</b>					
Capital expenditure:					
- to meet additional demand		5,170	4,850	4,260	5,845
- to improve the level of service	3	2,140	1,250	3,770	3,983
- to replace existing assets	4	5,640	8,450	8,690	7,643
Increase/(decrease) in reserves	1	(2,520)	(5,710)	(1,760)	(4,996)
Increase/(decrease) of investments		-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>10,430</b>	<b>8,840</b>	<b>14,960</b>	<b>12,474</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>		<b>(3,740)</b>	<b>(4,000)</b>	<b>(4,230)</b>	<b>(2,113)</b>
<b>Funding balance (A-B) + (C-D)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Variance explanation Actual 2023/24 to Annual Plan 2023/24

- Operating 'payments' are higher than budgeted due to increased cost of operations at New Plymouth Water Treatment Plant and urgent reservoir maintenance funded from reserves.
- Operating 'payments' are higher than budgeted and also includes ongoing works to remove Mangorei low head dam funded from debt.
- Capital spend on level of service over budget due to Universal Water Metering project.
- Capital spend on renewals over budget due to the Urenui water main renewal, Princess Street roundabout, Katere Road water main and water supply planning.



# Financial Statements

## Ngā Tauāki Pūtea

### Financial Statements:

Statement of Comprehensive Revenue and Expense .....	74
Statement of Financial Position .....	75
Statement of Changes in Net Assets/Equity.....	76
Statement of Cash Flows .....	77

### Notes to the Financial Statements:

1. Statement of accounting policies.....	79
2. Explanation of major variances against budget .....	84
3. Revenue classified as exchange or non-exchange transactions.....	86
4. Rates .....	87
5. Breakdown of subsidies and grants .....	88
6. Other revenue.....	89
7. Personnel costs .....	90
8. Other expenses .....	93
9. Property, plant and equipment .....	95
10. Investment property .....	107
11. Intangible assets .....	108
12. Forestry assets .....	110
13. Equity accounted investments (joint ventures) .....	111
14. Other financial assets .....	112
15. Waitara Lands Act.....	117
16. Cash and cash equivalents.....	120
17. Debtors and other receivables .....	121
18. Creditors and other payables.....	123
19. Borrowings.....	124
20. Provisions .....	125
21. Employee entitlements .....	126
22. Tax .....	127
23. Equity and capital management .....	129
24. Financial risk management .....	132
25. Related party transactions .....	141
26. Contingent liabilities and assets .....	142
27. Finance income and finance costs .....	144
28. Events occurring after the balance date .....	145

<b>Funding Impact Statement.....</b>	<b>146</b>
--------------------------------------	------------

<b>Disclosure Statement .....</b>	<b>147</b>
-----------------------------------	------------

# Financial Statements

## Ngā Tauāki Pūtea

### NEW PLYMOUTH DISTRICT COUNCIL

#### STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE for the year ended 30 June 2024

	NOTES	COUNCIL			GROUP	
		2023/24 Actual \$'000	2023/24 Budget \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
<b>OPERATING REVENUE</b>						
Rates	4	132,257	132,330	117,562	132,127	117,460
Subsidies and grants	5	32,436	61,920	25,597	34,283	28,482
Development and financial contributions		1,438	3,190	3,045	1,438	3,045
Other revenue	6	38,321	47,270	35,402	47,014	44,723
Interest revenue	27	3,940	1,600	2,635	3,374	2,104
Investment revenue	6	43,467	23,770	26,705	43,467	26,705
<b>Total operating revenue</b>		<b>251,859</b>	<b>270,080</b>	<b>210,946</b>	<b>261,703</b>	<b>222,519</b>
<b>OPERATING EXPENDITURE</b>						
Personnel costs	7	(61,580)	(58,750)	(55,336)	(65,878)	(58,918)
Other expenses	8	(106,283)	(95,910)	(107,437)	(107,274)	(110,920)
Waitara Lands Act distributions	15	(2,056)	-	(1,484)	(2,056)	(1,484)
Depreciation and amortisation expenses	9,11	(52,046)	(49,530)	(51,220)	(54,358)	(53,280)
Interest expense	27	(11,588)	(11,320)	(9,671)	(11,589)	(9,672)
<b>Total operating expenditure</b>		<b>(233,553)</b>	<b>(215,510)</b>	<b>(225,148)</b>	<b>(241,155)</b>	<b>(234,274)</b>
Share of joint ventures surplus	13	23	-	(237)	23	(237)
<b>Surplus before taxation</b>		<b>18,329</b>	<b>54,570</b>	<b>(14,439)</b>	<b>20,571</b>	<b>(11,992)</b>
Income tax refund	22	-	-	-	(5,354)	(754)
<b>SURPLUS AFTER TAXATION</b>		<b>18,329</b>	<b>54,570</b>	<b>(14,439)</b>	<b>15,217</b>	<b>(12,746)</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>						
Net gain/(loss) on property, plant and equipment and equipment revaluations	23	2,179	-	(7,984)	2,179	(551)
Financial assets at fair value through other comprehensive revenue and expense	23	(12)	-	(21)	(12)	(21)
Deferred tax on property revaluation	23	-	-	-	-	(2,333)
Deferred tax transfers	23	-	-	-	(1)	14
<b>Total other comprehensive revenue and expense</b>		<b>2,167</b>	<b>-</b>	<b>(8,005)</b>	<b>2,166</b>	<b>(2,891)</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>20,496</b>	<b>54,570</b>	<b>(22,444)</b>	<b>17,383</b>	<b>(15,637)</b>

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

# Financial Statements

## Ngā Tauāki Pūtea

### NEW PLYMOUTH DISTRICT COUNCIL

#### STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

	NOTES	COUNCIL			GROUP	
		2023/24 Actual \$'000	2023/24 Budget \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	16	19,257	6,260	45,939	26,939	51,156
Debtors and other receivables	17	27,361	19,000	20,961	28,136	21,824
Other financial assets	14	336,350	374,420	286,000	336,350	286,501
Intangible assets	11	9	-	9	9	9
Inventory		176	150	149	194	149
Available-for-sale financial assets		-	450	-	-	-
Derivative financial instruments		941	-	190	941	190
<b>Total current assets</b>		<b>384,094</b>	<b>400,280</b>	<b>353,248</b>	<b>392,569</b>	<b>359,829</b>
<b>NON-CURRENT ASSETS</b>						
Property, plant and equipment	9	3,443,412	3,517,210	3,394,150	3,529,120	3,472,107
Intangible assets	11	10,169	10,010	1,201	10,406	1,208
Forestry assets	12	4,758	5,980	4,790	4,758	4,790
Investment property	10	1,250	-	1,250	1,250	1,250
Equity accounted investments	13	1,327	-	1,286	1,327	1,286
Investment in CCOs and other similar entities	14	72,442	56,690	65,054	805	817
Other financial assets	14	102,639	83,010	102,444	102,639	102,444
Derivative financial instruments	24	2,328	760	7,245	2,328	7,245
Deferred tax asset	22	-	-	-	56	44
<b>Total non-current assets</b>		<b>3,638,325</b>	<b>3,673,660</b>	<b>3,577,420</b>	<b>3,652,689</b>	<b>3,591,191</b>
<b>TOTAL ASSETS</b>		<b>4,022,419</b>	<b>4,073,940</b>	<b>3,930,668</b>	<b>4,045,258</b>	<b>3,951,020</b>
<b>CURRENT LIABILITIES</b>						
Creditors and other payables	18	41,933	31,536	36,090	44,040	37,908
Waitara Lands Act liability	15	19,062	23,434	17,480	19,062	17,480
Borrowings	19	60,144	53,050	74,142	60,144	74,142
Provisions	20	537	1,020	1,092	537	1,092
Employee entitlements	21	4,310	4,770	5,744	4,689	6,051
Derivative financial instruments	24	-	300	-	-	-
Provision for tax		-	-	-	736	42
<b>Total current liabilities</b>		<b>125,986</b>	<b>114,110</b>	<b>134,548</b>	<b>129,208</b>	<b>136,715</b>
<b>NON-CURRENT LIABILITIES</b>						
Borrowings	19	269,500	249,140	189,500	269,497	189,497
Derivative financial instruments	24	-	21,630	34	-	34
Provisions	20	1,778	2,690	1,784	1,778	1,784
Employee entitlements	21	359	520	502	359	502
Deferred tax liabilities	22	-	-	-	9,356	4,812
<b>Total non-current liabilities</b>		<b>271,637</b>	<b>273,980</b>	<b>191,820</b>	<b>280,990</b>	<b>196,629</b>
<b>TOTAL LIABILITIES</b>		<b>397,623</b>	<b>388,090</b>	<b>326,368</b>	<b>410,198</b>	<b>333,344</b>
<b>NET ASSETS</b>		<b>3,624,796</b>	<b>3,685,850</b>	<b>3,604,300</b>	<b>3,635,060</b>	<b>3,617,676</b>
<b>EQUITY</b>						
Accumulated funds	23	1,650,943	1,751,020	1,612,683	1,637,445	1,602,297
Other reserves	23	1,973,853	1,934,830	1,991,617	1,997,615	2,015,379
<b>TOTAL EQUITY</b>		<b>3,624,796</b>	<b>3,685,850</b>	<b>3,604,300</b>	<b>3,635,060</b>	<b>3,617,676</b>

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

# Financial Statements

## Ngā Tauāki Pūtea

### NEW PLYMOUTH DISTRICT COUNCIL

### STATEMENT OF CHANGES IN NET ASSETS/EQUITY

for the year ended 30 June 2024

	NOTES	COUNCIL			GROUP	
		2023/24 Actual \$'000	2023/24 Budget \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
<b>Equity at the beginning of the year</b>		<b>3,604,300</b>	<b>3,631,280</b>	<b>3,626,744</b>	<b>3,617,677</b>	<b>3,633,313</b>
Total comprehensive revenue and expense		20,496	54,570	(22,444)	17,383	(15,637)
<b>EQUITY AT THE END OF THE YEAR</b>	23	<b>3,624,796</b>	<b>3,685,850</b>	<b>3,604,300</b>	<b>3,635,060</b>	<b>3,617,676</b>

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

# Financial Statements

## Ngā Tauāki Pūtea

### NEW PLYMOUTH DISTRICT COUNCIL

#### STATEMENT OF CASH FLOWS

for the year ended 30 June 2024

	NOTES	COUNCIL			GROUP	
		2023/24 Actual \$'000	2023/24 Budget \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from rates revenue		131,622	132,340	116,688	131,486	116,583
Interest received		3,259	1,600	2,397	2,701	1,847
Dividends received		6	-	135	6	135
Other revenue received		64,035	103,520	60,802	74,555	71,237
Payments to suppliers and employees		(153,403)	(143,840)	(143,818)	(158,964)	(150,689)
Waitara Lands Act disbursements		(755)	(2,540)	(4,667)	(755)	(4,667)
Goods and services tax (net) paid		(3,865)	-	652	(3,784)	643
Income tax refunded		-	-	-	(86)	(41)
Interest paid		(11,764)	(11,320)	(8,816)	(11,729)	(8,798)
<b>Net cash flows from operating activities</b>		<b>29,135</b>	<b>79,760</b>	<b>23,373</b>	<b>33,430</b>	<b>26,247</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sale of discontinued operation		277	-	900	277	900
Receipts from sale of property, plant and equipment		412	8,240	1,144	412	1,147
PIF release to Council		11,385	14,510	10,622	11,385	10,622
Receipts from sale of other financial assets		9,973	750	10,109	10,473	11,109
Distributions received from joint ventures and associates (joint venture share of profit/(losses))		(41)	-	-	(41)	-
Borrowings advanced to Papa Rererangi i Puketapu Limited		(7,400)	-	-	-	-
Purchase of property, plant and equipment		(96,109)	(135,020)	(84,780)	(105,839)	(86,073)
Purchase of intangible assets		(9,573)	-	(537)	(9,573)	(537)
Purchase of other financial assets		(30,743)	(5,870)	(11,005)	(30,743)	(12,003)
<b>Net cash flows from investing activities</b>		<b>(121,819)</b>	<b>(117,390)</b>	<b>(73,547)</b>	<b>(123,649)</b>	<b>(74,835)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Proceeds from borrowings		81,002	61,560	100,142	81,002	100,142
Repayment of borrowings		(15,000)	(35,000)	(40,000)	(15,000)	(40,000)
<b>Net cash flows from financing activities</b>		<b>66,002</b>	<b>26,560</b>	<b>60,142</b>	<b>66,002</b>	<b>60,142</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(26,682)</b>	<b>(11,070)</b>	<b>9,968</b>	<b>(24,217)</b>	<b>11,554</b>
Cash and cash equivalents at 1 July		45,939	17,340	35,971	51,156	39,602
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	16	<b>19,257</b>	<b>6,270</b>	<b>45,939</b>	<b>26,939</b>	<b>51,156</b>

The accompanying notes form part of these financial statements.

# Financial Statements

## Ngā Tauāki Pūtea

### NEW PLYMOUTH DISTRICT COUNCIL

#### STATEMENT OF CASH FLOWS (CONTINUED)

for the year ended 30 June 2024

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

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
<b>Surplus after taxation</b>	<b>18,329</b>	<b>(14,434)</b>	<b>15,217</b>	<b>(12,746)</b>
<i>Non-cash items:</i>				
Depreciation and amortisation expense	52,046	51,220	54,358	53,281
Vested assets	(5,047)	(1,804)	(5,047)	(1,804)
Property, plant and equipment impairment	-	3,801	-	3,801
(Gains)/losses on sales of assets	2,193	2,676	2,193	2,676
Gains on derivative financial instruments	4,132	(3,326)	4,132	(3,326)
(Gains)/losses in fair value of forestry assets	32	314	32	314
Loss on revaluation of assets	-	1,620	-	1,620
Net gain on sales included in investing activities	(41,408)	(22,127)	(41,973)	(24,267)
	<b>11,948</b>	<b>32,376</b>	<b>13,695</b>	<b>32,295</b>
<i>Add/(less) movements in other working capital items:</i>				
Change in debtors and other receivables	(6,400)	(3,339)	(6,244)	(3,515)
Change in creditors and other payables	5,841	11,906	6,065	11,184
Change in inventory	(27)	6	(45)	5
Change in Waitara Lands Act liability	1,582	(2,999)	1,582	(2,999)
Change in provisions	(561)	(533)	(561)	(533)
Change in tax payable	-	-	694	42
Movement in deferred tax	-	-	4,532	3,047
Change in employee entitlements	(1,577)	395	(1,505)	(533)
	<b>(1,142)</b>	<b>5,436</b>	<b>4,518</b>	<b>6,698</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>29,135</b>	<b>23,373</b>	<b>33,430</b>	<b>26,247</b>

The accompanying notes form part of these financial statements.

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 1. STATEMENT OF ACCOUNTING POLICIES for the year ended 30 June 2024

#### 1.1 Reporting Entity

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

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

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

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

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

#### Legislative compliance

Section 98 of the Local Government Act 2002 requires the New Plymouth District Council to prepare and adopt an annual report within four months after the end of each financial year. However, due to the extended statutory timeframe for the adoption of the Long-Term Plan 2024-2034, the statutory timeframe for the adoption of the Annual Report has been extended to 31 December 2024.

The Annual Report 2023/24 was adopted by resolution of the New Plymouth District Council on 16 December 2024.

#### 1.2 Basis of preparation

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

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

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

#### Statement of compliance

The financial statements have been prepared:

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

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

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

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash-generating assets, value-in-use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

### Value-in-use cash-generating assets

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

### Foreign currency transactions

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

### Budget figures

The budget figures are those approved by the Council in its Annual Plan 2023/24 and have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

### Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except billed receivables and payables which include GST. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

### Cost allocation

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

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

### Changes in accounting policies

The amendments below are effective for the 2023/24 financial reporting period. There were no effect for the Council and Group from these changes.

- 2022 Omnibus Amendments to PBE Standards: The amendments make several changes to PBE standards, including PBE IPSAS 5 Borrowing Costs, PBE IPSAS 12 Inventories, PBE IPSAS 17 Property, Plant and Equipment, PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets, PBE IPSAS 27 Agriculture, and PBE IPSAS 41 Financial Instruments. The Omnibus Amendments also make minor clarifications or amendments to other PBE standards.
- Public Sector Specific Financial Instruments (Non-Authoritative Amendments to PBE IPSAS 41): The amendments clarify the accounting for public sector specific financial instruments, including some instruments with characteristics similar to financial instruments including monetary gold, currency in circulation, IMF special drawing rights, and IMF quota subscriptions.

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

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

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

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

- PBE IFRS 17 Insurance Contracts.
- Disclosure of Fees for Audit Forms' Services (Amendments to PBE IPSAS 1).

These are not expected to impact on the Council and Group's financial statements when adopted.

### Critical accounting estimates and assumptions

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

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

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

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

### Impairment of assets

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

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

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

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

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

### 1.3 Basis of consolidation

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

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

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

### 1.4 Operating revenue

#### *Accounting policy*

##### Exchange and non-exchange revenue

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

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

##### Rates revenue

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

##### Development and financial contributions

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

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

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

##### Other grants

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

##### Landfill fees

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

##### Sales of goods

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

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### **Infringement fees and fines**

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

### **Vested or donated physical assets**

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

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

### **Interest and dividends**

Interest revenue is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 2. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

#### Accounting policy

The budget figures are those approved by the Entity in its Annual Plan 2023/24. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

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

#### Statement of Comprehensive Revenue and Expense

	<b>Council Actual \$'000</b>
<b>BUDGET - SURPLUS BEFORE TAX</b>	<b>54,570</b>
Variations are made up of:	
Non-cash items	
– Significant gains from the Perpetual Investment Fund contributed positively, reflecting a strong performance in this financial year.	19,701
– Losses from derivatives due to inherent uncertainties not anticipated in the budget.	(4,132)
– Depreciation was slightly above budget by 5%, though this variance is considered minor.	(2,516)
– Unbudgeted losses primarily due to asset disposals related to capital expenditure renewals, including notable disposals such as the acoustic wall at TSB Stadium of \$0.4m, stormwater mains in Waitara of \$0.2m, and \$0.2m for house disposal at 34 Airport Drive, to clear the site for road works.	(2,340)
Funds held on behalf	
– Reduced Waitara Lands Act gains and distributions due to limited sales. Future budgets have been amended to reflect this decline.	(2,130)
Operating items	
– Lower subsidies and grants received due to delays in NZTA grants for cycling programme (\$13m) and the timing issues with grants for the Thermal Dryer Facility (\$16m).	(29,874)
– Higher direct costs across various areas, including higher technology costs across several IT projects (\$1.3m), PIF Mercer management fees (\$0.5m), maintenance for local roads (\$3.8m) and three waters (\$3.3m). These increases were partially offset by lower costs in the commercial material resource facility (\$1.8m) and delayed forestry road works (\$0.8m).	(7,916)
– Higher personnel as a consequence of our organisation structure review.	(2,830)
– Reduced development contributions due to fewer developments than anticipated.	(1,752)
– Lesser sales activity. This includes revenue from the commercial material resource facility picked up compared to the prior year, revenue fell short of budget expectations.	(1,582)
– Lower revenue for resource consents and building consents due to lower activity levels than budget.	(1,323)
– Increased cost for LAPP and material damage insurance.	(373)
– Net finance costs are less than budget due to improved interest revenue from investments strategies such as prefunding, and better rates for term deposits.	2,072
– Other net operating costs increases	(1,246)
<b>ACTUAL - SURPLUS BEFORE TAX</b>	<b>18,329</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### Statement of Financial Position

	Council Actual \$'000
<b>BUDGET - TOTAL NET ASSETS</b>	<b>3,685,850</b>
Cash on hand include ring fenced funds such as funds held for the Waitara Lands Act that cannot be utilised for operations. The higher cash on hand at year end is mainly due to funds held on behalf of the Hapū Land Fund being kept in the bank rather than invested.	12,997
Lower returns in investment, mainly the Perpetual Investment Fund. While there is a decrease of 4% when compared to budget, Council's investments are 13% higher then the prior year actuals.	(18,441)
Higher debtors include accrued revenue of \$1m for Thermal Dryer Facility, \$4m from the February GST refund and \$1.3m from NTZA claim for state highways work.	8,361
Net decrease in derivatives liability due to hedged instruments approaching maturity. This is because as the swap approaches maturity, the number of remaining cash flows decreases, and the time over which they are discounted shortens, reducing the overall fair value.	24,439
Timing of CCO's borrowing projections. The budgets for CCO's borrowings were based on 2021/22 closing balances as opposed to 2022/23.	15,752
Although actuals for Property, Plant and Equipment are lower than budget by \$74m, the variance is only 2.1% on the prior year. This variance is considered minor.	(73,798)
Waitara Lands distributions are expected to remain low. Future budgets have been amended to reflect this decline.	4,372
Debt is higher than budget as it includes \$21m prefunding and \$6.8m additional debt required for cash flow management.	(27,454)
Creditors is higher due to higher outstanding June invoices.	(10,397)
Net change across several items	3,115
<b>ACTUAL - TOTAL NET ASSETS</b>	<b>3,624,796</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 3. REVENUE CLASSIFIED AS EXCHANGE OR NON-EXCHANGE TRANSACTIONS

	NOTES	COUNCIL		GROUP	
		2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>					
Interest revenue	27	3,940	2,634	3,374	2,103
Investment revenue	6	43,467	26,705	43,467	26,705
Water - targeted metered rates	4	5,211	5,072	5,211	5,072
Other revenue (excluding vested assets, fines and levies)	6	31,905	32,397	40,513	41,681
<b>Total revenue from exchange transactions</b>		<b>84,523</b>	<b>66,808</b>	<b>92,565</b>	<b>75,561</b>
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>					
Rates (excluding water targeted metered rates)	4	127,046	112,491	126,916	112,389
Subsidies and grants	5	32,436	25,597	34,283	28,482
Development/financial contributions		1,438	3,045	1,438	3,045
Fines and levies	6	1,369	1,201	1,454	1,238
Vested assets	6	5,047	1,804	5,047	1,804
<b>Total revenue from non-exchange transactions</b>		<b>167,336</b>	<b>144,138</b>	<b>169,138</b>	<b>146,958</b>
<b>TOTAL OPERATING REVENUE</b>		<b>251,859</b>	<b>210,946</b>	<b>261,703</b>	<b>222,519</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 4. RATES

#### Breakdown of rates revenue

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
General rates	85,302	76,257	85,183	76,165
Sewerage - UAC	19,645	16,491	19,645	16,491
Water - UAC	10,850	9,605	10,839	9,595
Water - targeted metered rates	5,082	5,072	5,082	5,072
Refuse collection - UAC	6,301	5,500	6,301	5,500
Roading - UAC	5,033	4,595	5,033	4,595
Community facilities targeted	44	42	44	42
<b>TOTAL RATES REVENUE</b>	<b>132,257</b>	<b>117,562</b>	<b>132,127</b>	<b>117,460</b>

In 2023/24, the Council allowed rate remissions of \$950,123 excluding GST (2022/23: \$921,204).

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

As at 30 June 2023	Rateable	Non-rateable
Number of rating units	37,110	1,136
Total capital value of rating units (\$m)	35,174	1,531
Total land value of rating units (\$m)	20,978	934

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 5. BREAKDOWN OF SUBSIDIES AND GRANTS

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
Operating subsidies and grants - NZTA	4,658	5,161	4,658	5,161
Operating subsidies and grants - other	3,132	3,165	4,979	6,050
Capital NZTA – roads	15,509	7,896	15,509	7,896
Capital - other	9,137	9,375	9,137	9,375
<b>TOTAL SUBSIDIES AND GRANTS</b>	<b>32,436</b>	<b>25,597</b>	<b>34,283</b>	<b>28,482</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 6. OTHER REVENUE

#### a) Breakdown of other revenue

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
User fees and charges	11,337	10,003	19,092	17,526
Regulatory revenue	5,772	5,322	5,772	5,322
Property rent and charges	4,389	4,544	5,445	5,424
Waitara Lands Act - gain on sale	147	561	147	561
Rental income from investment properties	97	102	97	102
Fines, levies and rebates	1,370	1,284	1,370	1,284
Council venue hire	1,249	1,043	1,249	1,043
Vested assets	5,047	1,804	5,047	1,804
Insurance recoveries	244	65	244	65
Other revenue	8,669	7,348	8,551	8,266
Net gain on derivative financial instruments	-	3,326	-	3,326
<b>TOTAL OTHER REVENUE</b>	<b>38,321</b>	<b>35,402</b>	<b>47,014</b>	<b>44,723</b>

#### b) Breakdown of investment revenue

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
Net gains/(losses) on other investments	1,807	1,349	1,807	1,349
Settlement received	282	900	282	900
Net gains/(losses) on the PIF investment (Note 14)	41,372	24,321	41,372	24,321
Dividends	6	135	6	135
<b>TOTAL INVESTMENT REVENUE</b>	<b>43,467</b>	<b>26,705</b>	<b>43,467</b>	<b>26,705</b>

#### c) Operating leases as a lessor

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

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
Within one year	1,665	1,489	2,339	2,224
Later than one year and not later than five years	5,919	5,781	7,634	7,763
Later than five years	8,451	9,194	11,478	12,236
<b>TOTAL MINIMUM LEASE REVENUE</b>	<b>16,035</b>	<b>16,464</b>	<b>21,451</b>	<b>22,223</b>
Average lease term (years)	8	9	10	11
Number of leases	465	466	497	498

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

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 7. PERSONNEL COSTS

#### a) Personnel costs

##### Accounting policy

##### Defined contribution schemes

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

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
Salaries and wages and related entitlements	59,900	53,801	64,166	57,362
Defined contribution plan employer contributions	1,680	1,535	1,712	1,556
<b>TOTAL PERSONNEL COSTS</b>	<b>61,580</b>	<b>55,336</b>	<b>65,878</b>	<b>58,918</b>

#### b) Elected representatives

	2023/24 Actual \$	2022/23 Actual \$
Neil Holdom (Mayor)	160,757	158,824
Tony Bedford	59,694	56,060
Sam Bennett	56,980	54,703
Max Brough	54,267	36,789
Gordon Brown	65,121	62,054
David Bublitz	89,541	70,983
Anneka Carlson	57,523	54,974
Murray Chong	57,022	54,974
Amanda Clinton-Gohdes	65,121	58,773
Harry Duynhoven	62,407	60,697
Richard Handley	-	19,684
Bali Haque	65,121	42,216
Stacey Hitchcock	-	21,324
Colin Johnston	-	16,403
Richard Jordan	-	26,245
Dinnie Moeahu	62,407	57,416
Marie Pearce	62,407	57,416
Bryan Vickery	54,267	36,789
Te Waka McLeod	56,980	38,145
<b>TOTAL ELECTED REPRESENTATIVES REMUNERATION</b>	<b>1,029,615</b>	<b>984,469</b>

2023/24 full time equivalents 15 (2022/23: 15).

The Mayor's salary for 2022/23 has been restated from \$153,997 to \$158,824 to include motor vehicle allowance in alignment with 2023/24 disclosures.

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

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

	2023/24 \$	2022/23 \$
Neil Holdom (Mayor)	2,130	2,295
Tony Bedford	-	-
Sam Bennett	3,330	595
Gordon Brown	-	-
Max Brough	-	595
David Bublitz	1,395	1,812
Anneka Carlson	-	1,712
Murray Chong	-	-
Amanda Clinton-Gohdes	-	3,107
Harry Duynhoven	-	-
Richard Handley	-	-
Bali Haque	-	595
Stacey Hitchcock	-	-
Colin Johnston	-	-
Richard Jordan	-	-
Dinnie Moeahu	1,395	2,399
Marie Pearce	-	-
Bryan Vickery	-	-
Te Waka McLeod	-	595
<b>TOTAL ELECTED REPRESENTATIVES PROFESSIONAL DEVELOPMENT</b>	<b>8,250</b>	<b>13,705</b>

### c) Staff employed full-time equivalent

At balance date the Council employed 502 full time employees (2022/23: 540) with the balance of staff representing 109 full-time equivalent employees (2022/23: 120). A full-time employee is determined on the basis of a 40-hour working week.

### d) Individuals receiving total remuneration by band

	Number of Employees 2023/24		Number of Employees 2022/23
< \$60,000	149	< \$60,000	295
\$60k - \$79,999	261	\$60k - \$79,999	230
\$80k - \$99,999	154	\$80k - \$99,999	169
\$100k - \$119,999	114	\$100k - \$119,999	98
\$120k - \$139,999	62	\$120k - \$139,999	33
\$140k - \$159,999	18	\$140k - \$159,999	18
\$160k - \$199,999	13	\$160k - \$199,999	8
\$200k - \$319,999	6	\$200k - \$319,999	6
\$380k - \$399,999	1	\$380k - \$399,999	1
<b>TOTAL HEAD COUNT</b>	<b>778</b>	<b>TOTAL HEAD COUNT</b>	<b>858</b>

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

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### e) Severance payments

For the year ended 30 June 2024, Council made three severance payments to employees. These were \$24,254, \$17,640 and \$4,450 respectively (2022/23: no severance payments made).

### f) Chief executive

The total remuneration (including any non-financial benefits) paid or payable for the year to individuals occupying the chief executive role is:

	2023/24 Actual	2022/23 Actual
Chief Executive - Craig Stephenson (former)	-	168,029
Chief Executive - Jacqueline Baker (acting)	-	91,470
Chief Executive - Miriam Taris (interim)	-	249,480
Chief Executive - Gareth Green (current)	392,995	88,846
<b>TOTAL CHIEF EXECUTIVE REMUNERATION</b>	<b>392,995</b>	<b>597,825</b>

### g) Key management personnel

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

	2023/24 Actual	2022/23 Actual
<b>Councillors, including the Mayor:</b>		
Remuneration (\$'000)	1,030	980
Full-time equivalent members (as at 30 June)	15	15
<b>Senior management team, including the Chief Executive:</b>		
Remuneration (\$'000)	2,222	2,285
Full-time equivalent members (as at 30 June)	5	8
<b>TOTAL KEY MANAGEMENT PERSONNEL COMPENSATION (\$'000)</b>	<b>3,252</b>	<b>3,265</b>
<b>Total full-time equivalent personnel (as at 30 June)</b>	<b>20</b>	<b>23</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 8. OTHER EXPENSES

#### Accounting policy

##### Operating leases

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

##### Grant expenditure

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

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

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

##### Interest rate swaps

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

#### a) Breakdown of other expenses

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
Audit fees – Annual financial statements	330	288	415	349
Audit fees - Long-Term Plan	164	-	164	-
Audit fees - Debenture Trust Deed	6	5	6	5
<b>TOTAL PAYMENTS TO AUDIT NEW ZEALAND</b>	<b>500</b>	<b>293</b>	<b>585</b>	<b>354</b>
Audit fees - Annual financial statements (Silks Audit Chartered Accountants)	-	-	31	31
<b>TOTAL PAYMENTS TO SILKS AUDIT CHARTERED ACCOUNTANTS</b>	<b>-</b>	<b>-</b>	<b>31</b>	<b>31</b>
General operating expenses	24,985	30,113	26,551	31,904
Direct cost of activities and materials	61,526	54,575	58,918	53,217
Consultants and legal fees	8,848	10,396	9,763	12,432
Insurance premiums	3,221	2,202	3,426	2,372
Impairment of receivables	251	251	274	255
Operating lease costs	448	321	485	344
Directors fees	-	-	576	572
Net loss on sale of assets	2,340	3,237	2,501	3,346
Property, plant and equipment impairment	-	3,801	-	3,801
Loss on revaluation of assets	-	1,934	-	1,934
Net loss on derivative financial instruments	4,132	-	4,132	-
Net loss on forestry assets	32	314	32	314
<b>TOTAL OTHER EXPENSES</b>	<b>106,283</b>	<b>107,437</b>	<b>107,274</b>	<b>110,876</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### b) Operating leases as lessee

The Council and the Group lease buildings, and plant and equipment in the normal course of its business. The non-cancellable term for these leases ranges between 24 and 80 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
Within one year	383	76	546	107
Later than one year and not later than five years	1,047	24	1,351	387
Later than five years	340	-	340	-
<b>TOTAL MINIMUM LEASE PAYMENTS</b>	<b>1,770</b>	<b>100</b>	<b>2,237</b>	<b>494</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 9. PROPERTY, PLANT AND EQUIPMENT

#### Accounting policy

##### Asset categories

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

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

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

##### Revaluation

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

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

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

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

##### Additions

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

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

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

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

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

##### Disposals

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

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### Depreciation

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

	Years	Depreciation
<b>Infrastructural assets</b>		
Roading - infrastructure/formation	7 - 150	0.7% - 14.3%
Roading - land under roads		Not depreciated
Laboratory	5 - 50	2% - 20%
Waste management and minimisation - plant and machinery/landfill	2 - 100	1% - 50%
Waste management and minimisation - earthmoving/site works		Not depreciated
Stormwater	6 - 151	0.7% - 89.7%
Flood protection	25 - 200	0.5% - 4%
Water	3 - 168	0.9% - 47.2%
Wastewater	5 - 207	0.8% - 47.9%
New Plymouth Airport runway/services	1 - 69	1.4% - 100%
Work in progress		Not depreciated
<b>Operational assets</b>		
Land		Not depreciated
Buildings/improvements	3 - 223	0.4% - 33%
Vehicles	3 - 20	5% - 33.3
Furniture, fittings and equipment	2 - 99	1% - 50%
Puke Ariki book collection (general in-use)	7 - 25	4% - 14.3%
Work in progress		Not depreciated
<b>Restricted assets</b>		
Parks and reserves		Not depreciated
Waitara Lands Act land		Not depreciated
Puke Ariki book collection (heritage collection)		Not depreciated
Puke Ariki museum collection		Not depreciated
Govett-Brewster Art Gallery/Len Lye Centre collection		Not depreciated

### Impairment

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in surplus or deficit.

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

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

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

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

### Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

## a) Critical accounting estimates and assumptions

### Estimating fair value

#### *Infrastructural assets*

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

Asset class	Valuer	Valuation date
Roading (excluding land under roads)	Alun James, WSP Opus	31 March 2022
Laboratory		
Solid Waste		
Stormwater	Alun James, WSP Opus	30 June 2022
Flood Protection		
Water		
Wastewater		
Roading (land under roads only)	Mike Drew, Director (BBS (VPM) ANZIV, MPINZ) TelferYoung (Taranaki) Limited	30 June 2022
New Plymouth Airport runway/services	Mike Drew, Director (BBS (VPM) ANZIV, MPINZ) TelferYoung (Taranaki) Limited	30 June 2023

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

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction. Unit rates can vary based on asset location, topography and ground conditions.
- Contracts in the region for similar assets.
- Roads include derived values for land not held on title (road reserve). The average value of the road reserve is the current average land value calculated for each government roll number. The following factors have been applied:
  - unformed roads 55% of average value
  - formed roads (urban) 45% of average value
  - formed roads (rural) 25% of average value

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

- Estimates are made when determining the remaining useful life over which the assets will be depreciated. These estimates can be affected by local conditions, for example, weather patterns, and traffic growth.

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

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

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

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

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

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

### **Waitara Lands Act Land (restricted assets)**

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

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

### **Buildings (operational)**

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

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

- The replacement asset is based on the replacement with modern equivalent assets using modern construction methods, technology materials, and compliance.

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

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

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

### ***New Plymouth Airport buildings and runway/services***

These assets were independently valued by Mike Drew, Director (BBS (VPM) ANZIV, MPINZ), Telfer Young (Taranaki) Limited (registered valuers), at 30 June 2023.

The valuation process was undertaken on a depreciated replacement cost basis. The depreciation model reflects the assets' future economic benefits or service potential expected to be consumed by the entity. Adjustments to the assets have been considered in various types of obsolescence; physical, functional and external obsolescence.

### ***Puke Ariki book collection (operational and restricted assets)***

Library collections (general in-use and heritage collection) are valued at depreciated replacement cost. The most recent valuation was undertaken by the Council as at 31 March 2023 and reviewed by Kees Beentjes BSc, BE(Hons) and Chris Jenkins BE(Hons), MIPENZ, MInstD of SPM Assets Ltd.

### ***Puke Ariki museum collection (restricted assets)***

Museum collections are valued at optimised replacement cost. The most recent valuation was undertaken by the Council as at 30 June 2023 and reviewed by James Parkinson of Dunbar Sloane Ltd.

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

The most recent valuation of these assets was performed by Ben Plumbly BA, First Class Honors, Director of Art, Art + Object, the 21st Century Auction House. The revaluation was effective as at 30 June 2023.

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

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

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### b) Changes in Carrying Values of Property, Plant and Equipment

2023/24	Cost/ revaluation 1 July 2023 \$'000	Accumulated depreciation & impairment charges 1 July 2023 \$'000	Carrying amount 1 July 2023 \$'000	Current year additions \$'000	Current year transfers from WIP \$'000	Current year vested \$'000	Current year disposals \$'000
<b>COUNCIL 2023/24</b>							
<b>Infrastructural assets</b>							
Roading	776,466	20,219	756,247	-	23,254	3,294	-
Roading land	870,948	-	870,948	-	2,128	-	(5)
Laboratory	478	50	428	-	38	-	(2)
Solid waste	6,312	754	5,558	-	2,897	-	(10)
Stormwater	310,202	5,816	304,386	-	1,034	237	(742)
Flood protection	22,965	215	22,750	-	19	-	-
Water	236,937	6,530	230,407	-	20,577	161	(844)
Wastewater	468,098	12,991	455,107	-	6,651	479	(983)
Work in progress (WIP)	67,901	-	67,901	105,420	(71,973)	-	-
<b>Operational assets:</b>							
Land	99,624	153	99,471	-	1,448	877	(1)
Buildings/improvements	277,644	12,105	265,539	-	9,191	-	(685)
Vehicles	7,176	2,381	4,795	-	994	-	(615)
Furniture, fittings and equipment	33,459	26,064	7,395	-	2,678	-	-
Puke Ariki book collection	3,199	114	3,085	-	822	-	-
<b>Restricted assets:</b>							
Parks and reserves land	222,019	-	222,019	-	-	-	-
Waitara Lands Act land	20,960	-	20,960	-	-	-	(38)
Puke Ariki library heritage book collection	1,901	-	1,901	-	-	-	-
Puke Ariki museum collection	34,428	-	34,428	-	18	-	-
Govett-Brewster/Len Lye Centre collection	20,825	-	20,825	-	224	-	-
<b>TOTAL COUNCIL</b>	<b>3,481,542</b>	<b>87,392</b>	<b>3,394,150</b>	<b>105,420</b>	<b>-</b>	<b>5,048</b>	<b>(3,925)</b>
<b>GROUP 2023/24</b>							
<b>Infrastructural assets</b>							
Roading	776,466	20,219	756,247	-	23,254	3,294	-
Roading land	870,948	-	870,948	-	2,128	-	(5)
Laboratory	478	50	428	-	38	-	(2)
Solid waste	6,312	754	5,558	-	2,897	-	(10)
Stormwater	310,202	5,816	304,386	-	1,034	237	(742)
Flood protection	22,965	215	22,750	-	19	-	-
Water	236,937	6,530	230,407	-	20,577	161	(844)
Wastewater	468,098	12,991	455,107	-	6,651	479	(983)
Work in progress (WIP)	68,966	-	68,966	115,238	(79,513)	-	-
New Plymouth Airport runway/services	21,024	-	21,024	-	7,540	-	(161)
<b>Operational assets:</b>							
Land	115,858	286	115,572	-	1,448	877	(1)
Buildings/improvements	314,587	12,365	302,222	40	9,191	-	(685)
Vehicles	7,778	2,895	4,883	145	994	-	(615)
Furniture, fittings and equipment	36,454	26,064	10,390	214	2,678	-	-
Puke Ariki book collection	3,199	114	3,085	-	822	-	-
<b>Restricted assets:</b>							
Parks and reserves land	222,019	-	222,019	-	-	-	-
Waitara Lands Act land	20,960	-	20,960	-	-	-	(38)
Puke Ariki library heritage book collection	1,901	-	1,901	-	-	-	-
Puke Ariki museum collection	34,428	-	34,428	-	18	-	-
Govett-Brewster/Len Lye Centre collection	20,825	-	20,825	-	224	-	-
<b>TOTAL GROUP</b>	<b>3,560,405</b>	<b>88,299</b>	<b>3,472,106</b>	<b>115,637</b>	<b>-</b>	<b>5,048</b>	<b>(4,086)</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

Current year impairments	Current year depreciation	Accumulated depreciation disposed/ revalued	Revaluation surplus/ (deficit) 30 June 2024	Cost transfers/ adjustments (\$'000)	Depreciation transfers/ adjustments (\$'000)	Cost revaluation 30 June 2024 (\$'000)	Accumulated depreciation & impairment charges 30 June 2024 (\$'000)	Carrying amount 30 June 2024 (\$'000)
(2,400)	14,283	-	-	21,542	761	824,556	32,863	791,693
-	-	-	-	-	-	873,071	-	873,071
-	75	(1)	-	-	-	514	124	390
-	829	-	-	-	-	9,199	1,583	7,616
-	5,082	(24)	-	(2,692)	-	308,039	10,874	297,165
-	217	-	-	-	-	22,984	432	22,552
-	6,801	(88)	-	-	-	256,831	13,243	243,588
-	12,024	(125)	-	1,678	-	475,923	24,890	451,033
-	-	-	-	(9,573)	-	91,775	-	91,775
(153)	-	-	-	1,014	-	102,962	-	102,962
(603)	9,125	(67)	-	(21,542)	(761)	264,608	19,799	244,809
-	513	(298)	-	-	-	7,555	2,596	4,959
-	1,976	-	-	-	-	36,137	28,040	8,097
-	542	-	-	-	-	4,021	656	3,365
-	-	-	-	-	-	222,019	-	222,019
-	-	-	-	-	-	20,922	-	20,922
-	-	-	-	-	-	1,901	-	1,901
-	-	-	-	-	-	34,446	-	34,446
-	-	-	-	-	-	21,049	-	21,049
<b>(3,156)</b>	<b>51,467</b>	<b>(603)</b>	<b>-</b>	<b>(9,573)</b>	<b>-</b>	<b>3,578,512</b>	<b>135,100</b>	<b>3,443,412</b>
(2,400)	14,283	-	-	21,542	761	824,556	32,863	791,693
-	-	-	-	-	-	873,071	-	873,071
-	75	(1)	-	-	-	514	124	390
-	829	-	-	-	-	9,199	1,583	7,616
-	5,082	(24)	-	(2,692)	-	308,039	10,874	297,165
-	217	-	-	-	-	22,984	432	22,552
-	6,801	(88)	-	-	-	256,831	13,243	243,588
-	12,024	(125)	-	1,678	-	475,923	24,890	451,033
-	-	-	-	(9,573)	-	95,118	-	95,118
-	866	-	-	-	-	28,403	866	27,537
(153)	-	-	-	947	-	118,996	-	118,996
(603)	10,354	(67)	-	(21,480)	(761)	301,395	21,030	280,365
-	522	(298)	-	(83)	-	7,813	2,713	5,100
-	2,177	-	-	89	-	39,660	28,466	11,194
-	542	-	-	-	-	4,021	656	3,365
-	-	-	-	-	-	222,019	-	222,019
-	-	-	-	-	-	20,922	-	20,922
-	-	-	-	-	-	1,901	-	1,901
-	-	-	-	-	-	34,446	-	34,446
-	-	-	-	-	-	21,049	-	21,049
<b>(3,156)</b>	<b>53,772</b>	<b>(603)</b>	<b>-</b>	<b>(9,572)</b>	<b>-</b>	<b>3,666,861</b>	<b>137,741</b>	<b>3,529,120</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

2022/23	Cost/ revaluation 1 July 2022 \$'000	Accumulated depreciation & impairment charges 1 July 2022 \$'000	Carrying amount 1 July 2022 \$'000	Current year additions \$'000	Current year transfers from WIP \$'000	Current year vested \$'000	Current year disposals \$'000
<b>COUNCIL 2022/23</b>							
<b>Infrastructural assets</b>							
Roading	749,932	3,245	746,687	-	25,138	1,396	-
Roading land	870,214	-	870,214	-	408	-	(148)
Laboratory	343	32	311	-	138	-	(1)
Solid waste	11,884	342	11,542	-	59	-	-
Stormwater	304,568	424	304,144	-	7,789	139	(232)
Flood protection	22,965	1	22,964	-	36	-	-
Water	235,423	1,002	234,421	-	3,775	93	(963)
Wastewater	464,836	1,416	463,420	-	5,615	82	(1,266)
Work in progress (WIP)	57,329	-	57,329	85,933	(75,361)	-	-
<b>Operational assets:</b>							
Land	91,249	153	91,096	-	9,932	94	(463)
Buildings/improvements	264,439	2,103	262,336	-	14,486	-	(1,683)
Vehicles	6,385	2,112	4,273	-	1,258	-	(467)
Furniture, fittings and equipment	28,123	23,967	4,156	-	5,688	-	(76)
Puke Ariki book collection	5,464	941	4,523	-	589	-	-
<b>Restricted assets:</b>							
Parks and reserves land	222,019	-	222,019	-	450	-	-
Waitara Lands Act land	21,359	-	21,359	-	-	-	(399)
Puke Ariki library heritage book collection	2,271	-	2,271	-	-	-	-
Puke Ariki museum collection	32,033	-	32,033	-	-	-	-
Govett-Brewster/Len Lye Centre collection	20,405	-	20,405	-	-	-	-
<b>TOTAL COUNCIL</b>	<b>3,411,241</b>	<b>35,738</b>	<b>3,375,503</b>	<b>85,933</b>	<b>-</b>	<b>1,804</b>	<b>(5,698)</b>
<b>GROUP 2022/23</b>							
<b>Infrastructural assets</b>							
Roading	749,932	3,245	746,687	-	25,138	1,396	-
Roading land	870,214	-	870,214	-	408	-	(148)
Laboratory	343	32	311	-	138	-	(1)
Solid waste	11,884	342	11,542	-	59	-	-
Stormwater	304,568	424	304,144	-	7,789	139	(232)
Flood protection	22,965	1	22,964	-	36	-	-
Water	235,423	1,002	234,421	-	3,775	93	(963)
Wastewater	464,836	1,416	463,420	-	5,615	82	(1,266)
Work in progress (WIP)	57,361	-	57,361	86,966	(75,361)	-	-
New Plymouth Airport runway/services	18,989	677	18,312	-	-	-	(31)
<b>Operational assets:</b>							
Land	108,182	153	108,029	-	9,932	94	(463)
Buildings/improvements	297,704	2,232	295,472	265	14,486	-	(1,722)
Vehicles	6,661	2,366	4,295	1	1,258	-	(467)
Furniture, fittings and equipment	31,826	24,784	7,042	45	5,688	-	(118)
Puke Ariki book collection	5,464	941	4,523	-	589	-	-
<b>Restricted assets:</b>							
Parks and reserves land	222,019	-	222,019	-	450	-	-
Waitara Lands Act land	21,359	-	21,359	-	-	-	(399)
Puke Ariki library heritage book collection	2,271	-	2,271	-	-	-	-
Puke Ariki museum collection	32,033	-	32,033	-	-	-	-
Govett-Brewster/Len Lye Centre collection	20,405	-	20,405	-	-	-	-
<b>TOTAL GROUP</b>	<b>3,484,439</b>	<b>37,615</b>	<b>3,446,824</b>	<b>87,277</b>	<b>-</b>	<b>1,804</b>	<b>(5,810)</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

Current year impairments	Current year depreciation	Accumulated depreciation disposed/ revalued	Revaluation surplus/ (deficit) 30 June 2023	Cost transfers/ adjustments	Depreciation transfers/ adjustments	Cost revaluation 30 June 2023	Accumulated depreciation & impairment charges 30 June 2023	Carrying amount 30 June 2023
\$'000	\$'000	\$'000	(\$'000)	(\$'000)	(\$'000)	\$'000	\$'000	\$'000
3,800	13,174	-	-	-	-	776,465	20,219	756,246
-	-	-	-	474	-	870,948	-	870,948
2	19	(1)	-	-	-	478	50	428
5,266	412	-	-	(365)	-	6,312	754	5,558
1,558	5,509	(111)	-	(494)	(6)	310,202	5,816	304,386
36	214	-	-	-	-	22,965	215	22,750
1,247	5,663	(126)	-	(135)	-	236,937	6,530	230,407
1,365	11,762	(242)	-	141	-	468,098	12,991	455,107
-	-	-	-	-	-	67,901	-	67,901
714	-	-	-	(474)	-	99,624	153	99,471
1,881	10,206	(211)	-	2,282	6	277,644	12,105	265,539
-	512	(243)	-	-	-	7,176	2,381	4,795
-	2,758	(85)	-	300	-	33,459	26,064	7,395
-	477	(1,306)	(2,856)	-	-	3,199	114	3,085
450	-	-	-	-	-	222,019	-	222,019
-	-	-	-	-	-	20,960	-	20,960
-	-	-	(370)	-	-	1,901	-	1,901
-	-	-	3,824	(1,429)	-	34,428	-	34,428
-	-	-	720	(300)	-	20,825	-	20,825
<b>16,329</b>	<b>50,706</b>	<b>(2,325)</b>	<b>1,318</b>	<b>-</b>	<b>-</b>	<b>3,481,542</b>	<b>87,392</b>	<b>3,394,150</b>
3,800	13,174	-	-	-	-	776,465	20,219	756,246
-	-	-	-	474	-	870,948	-	870,948
2	19	(1)	-	-	-	478	50	428
5,266	412	-	-	(365)	-	6,312	754	5,558
1,568	5,509	(111)	-	(494)	(6)	310,202	5,816	304,386
36	214	-	-	-	-	22,965	251	22,750
1,247	5,663	(126)	-	(135)	-	236,937	6,530	230,407
1,365	11,762	(242)	-	141	-	468,098	12,991	455,107
-	-	-	-	-	-	68,966	-	68,966
-	773	(1,450)	2,066	-	-	21,024	-	21,024
714	-	-	(899)	(474)	-	115,858	286	115,572
1,881	11,229	(1,229)	3,391	2,280	6	314,587	12,365	302,222
-	519	(243)	-	(12)	-	7,778	2,895	4,883
-	2,986	(615)	(123)	314	-	36,454	26,064	10,390
-	477	(1,306)	(2,856)	-	-	3,199	114	3,085
450	-	-	-	-	-	222,019	-	222,019
-	-	-	-	-	-	20,960	-	20,960
-	-	-	(370)	-	-	1,901	-	1,901
-	-	-	3,824	(1,429)	-	34,428	-	34,428
-	-	-	720	(300)	-	20,825	-	20,825
<b>16,329</b>	<b>52,737</b>	<b>(5,323)</b>	<b>5,753</b>	<b>-</b>	<b>-</b>	<b>3,560,405</b>	<b>88,299</b>	<b>3,472,106</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### c) Core infrastructure asset disclosures

	Additions			
	Closing book value \$'000	Assets constructed by the Council \$'000	Assets transferred to the Council \$'000	Estimated replacement cost \$'000
<b>2023/24 - INFRASTRUCTURAL ASSETS</b>				
Water treatment plant and facilities	50,931	1,731	-	96,824
Other water assets	192,658	18,846	161	400,375
Wastewater treatment plant and facilities	95,132	435	-	171,069
Other wastewater assets	355,902	6,217	479	724,193
Stormwater drainage	297,164	1,035	237	487,067
Flood protection	22,552	19	-	25,020
Roading	1,669,227	29,845	3,294	1,187,086
<b>TOTAL INFRASTRUCTURAL ASSETS</b>	<b>2,683,566</b>	<b>58,128</b>	<b>4,171</b>	<b>3,091,634</b>
<b>2022/23 - INFRASTRUCTURAL ASSETS</b>				
Water treatment plant and facilities	50,907	341	-	96,779
Other water assets	179,500	3,434	93	373,433
Wastewater treatment plant and facilities	97,515	1,422	-	175,355
Other wastewater assets	357,592	4,193	82	728,467
Stormwater drainage	304,386	7,789	139	498,803
Flood protection	22,750	36	-	25,240
Roading	1,627,195	25,546	1,396	1,157,195
<b>TOTAL INFRASTRUCTURAL ASSETS</b>	<b>2,639,845</b>	<b>42,761</b>	<b>1,710</b>	<b>3,055,272</b>

### d) Depreciation and amortisation by group of activities

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
Parks and Open Spaces	3,007	4,127	3,007	4,127
Transportation	14,307	13,208	14,307	13,208
Stormwater Management	5,084	5,519	5,084	5,519
Flood Protection and Control Works	234	214	234	214
Waste Management and Minimisation	983	872	983	872
Water Supply	7,132	5,842	7,132	5,842
Wastewater Treatment	12,479	12,060	12,479	12,060
Emergency Management and Business Continuance	137	115	137	115
Community Partnerships	336	279	336	279
Govett-Brewster Art Gallery/Len Lye Centre	663	620	663	620
Puke Ariki and Community Libraries	2,246	2,408	2,246	2,408
Venues and Events	1,979	2,040	1,979	2,040
Customer and Regulatory Solutions	326	326	326	326
Support Services	3,133	3,590	3,133	3,590
Council Controlled Organisations	-	-	2,320	2,060
<b>TOTAL DEPRECIATION AND AMORTISATION</b>	<b>52,046</b>	<b>51,220</b>	<b>54,366</b>	<b>53,280</b>

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

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### e) Work in progress

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

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
Wastewater	52,497	33,044	52,497	33,044
Solid waste	3,698	3,810	3,698	3,810
Water	9,157	14,011	9,157	14,011
Stormwater	5,738	3,656	5,738	3,656
Buildings/improvements	11,828	5,104	11,828	6,137
Roading	8,816	4,750	8,816	4,750
Furniture, fittings and equipment	41	5,626	41	5,626
Council Controlled Organisations	-	-	3,343	5,626
<b>TOTAL WORK IN PROGRESS</b>	<b>91,775</b>	<b>70,001</b>	<b>95,118</b>	<b>71,034</b>

### f) Significant capital projects

Significant work in progress for 2023/24 as follows:

	Total budget \$'000	Total expenditure \$'000	Variance \$'000	Comments
Walkway extension to Waitara	4,625	2,262	(2,363)	Construction of Stage 1a is due to start at Otupaiia/Marine Park, Waitara in early July 24. Design for Stage 1b is reaching 75% with consenting applications being prepared. Design is underway for the Matairangi at the Airport. Land acquisition is ongoing for stages 2 and 3. The project is due to be completed by June 2027.
Construction of the Junction Permanent Building	2,330	1,767	(563)	Enabling works is completed. Main works contractor is established on site and has commenced material procurement. The project is due to be completed by Winter 2025.
Universal Water Metering	6,448	7,785	1,337	Total project actual spend of \$14.7m to 30 June 24 was kept within the LTP 2021-2031 approved project budget of \$16.6m. 16,051 of total 25,500 meters (63%) were installed by 30 June 24. The installation of meters is due to be completed by Summer 2025.
Thermal Dryer Facility Crown Infrastructure funded	26,753	23,046	(3,707)	Enabling works is completed. Main construction works are on site and around 50% complete and the installation of thermal dryer equipment ongoing. The project due to be completed by Spring 2024.
Downtown Carpark Earthquake Strengthening	1,000	1,622	622	Contractor is established on site. The project is due to be completed by December 2024.

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

	Total budget \$'000	Total expenditure \$'000	Variance \$'000	Comments
Urenui and Onaero sewer system	516	(1,083)	(567)	The Urenui and Onaero Sewer scheme has been included in the LTP 2024-2034 with funding of \$33.1m. Council has purchased the preferred site for the treatment plant. An application for "fast track" consent has been submitted.
Tūparakino Active Community Hub (TACH)	968	(1,132)	(164)	The TACH project has been included in the LTP 2024-2034 with funding of \$50m. The focus is on the construction of the indoor hub building and associated landscaping works. As of 30 June 2024, the concept designs for the scheme have been produced.
	<b>42,640</b>	<b>(38,697)</b>	<b>3,943</b>	

### g) Capital commitments

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

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
Building/improvements	4,218	5,053	4,218	5,053
Road network	1,303	81	1,303	81
Waste management	150	225	150	225
Wastewater	24,077	26,164	24,077	26,164
Water	10,746	10,213	10,746	10,213
Stormwater	36	-	36	-
Parks and Open Spaces	2,184	32	2,184	32
Furniture, fittings and equipment	43	-	43	-
New Plymouth Airport fire appliance	-	-	160	1,284
New Plymouth Airport solar power plant	-	-	16,205	-
<b>TOTAL CAPITAL COMMITMENTS</b>	<b>42,757</b>	<b>41,768</b>	<b>59,122</b>	<b>43,052</b>

### h) Insurance cover

	Cover	Sum insured \$'000
Total value of all assets covered by insurance contracts	Material damage and forestry	847,323
Total value of all assets covered by financial risk sharing arrangements	Local Authority Protection Programme	2,770,414
Total value of all assets that are self-insured	Self-insurance	1,797

As guardians of community assets with a gross current replacement cost of \$3.9 billion<sup>1</sup> the Council is responsible for ensuring that it is adequately protected from a range of perils so critical assets can be repaired or replaced as soon as possible after an event and service delivery is disrupted as little as possible. Those perils include volcanic, earthquake, flood, storm, fire and tsunami hazards.

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

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 10. INVESTMENT PROPERTY

#### Accounting policy

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

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

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

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

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

#### a) Breakdown of investment property and further information

	COUNCIL AND GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000
<b>BALANCE AT 1 JULY</b>	<b>1,250</b>	<b>1,250</b>
Additions from acquisitions	3	7
Fair value losses on valuation	(3)	(7)
<b>BALANCE AT 30 JUNE</b>	<b>1,250</b>	<b>1,250</b>

#### b) Revenue and expenses in relation to investment properties

	COUNCIL AND GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000
Rental income	97	102
Direct operating expenses from investment property generating revenue	65	81
Contractual obligations for operating expenditure	46	46

#### c) Valuation

Independent registered valuers TelferYoung (Taranaki) Limited have valued investment property as at 30 June 2024 (2022/23: TelferYoung (Taranaki) Limited).

Market based evidence of rentals, land sales and development property sales was used to confirm the current market value reported.

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 11. INTANGIBLE ASSETS

#### **Accounting policy**

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

#### **Software acquisition and development**

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

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

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

#### **Resource consents**

Resource consents are classified as intangible assets where the consent is a requirement for the ongoing operation of infrastructure assets owned by Council (see note 9 Property, Plant and Equipment). Resource consents are capitalised on the basis of the costs incurred to apply for and acquire the resource consent. Direct costs include application fees, employee costs and an appropriate portion of relevant overheads.

#### **Software as a Service (SaaS)**

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

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

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

#### **Water network models**

Digital water network models are classified as intangible assets as the models are expected to generate efficiencies in the ongoing maintenance and upkeep of water network assets owned by Council (see note 9 Property, Plant and Equipment). Water network models are capitalised on the basis of costs directly associated with the development of the models for internal use. Direct costs include the model development, employee costs and an appropriate portion of relevant overheads.

#### **Goodwill**

Goodwill has arisen primarily from Papa Rererangi i Puketapu Limited (PRIP)'s acquisition of the Rescue Fire Service. It reflects the benefit to PRIP of acquiring the business. Goodwill is initially recognised at the difference between the cost paid to acquire the business and the fair value of the assets acquired. The carrying amount of goodwill is reviewed at balance date to determine if there is any indication of impairment.

#### **Carbon credits**

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

#### **Amortisation**

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

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

The useful lives and associated amortisation rates of major classes of assets have been estimated as follows:

Class of intangible asset	Estimated useful life	Amortisation rates
Computer software	3 to 12 years	8.3% to 33.3%
Water network models	10 years	9.8% to 10%
Resource consents	4 to 100 years	1% to 22.5%

	Computer software \$'000	Resource consent \$'000	Goodwill	Water network models \$'000	Total \$'000
<b>COUNCIL</b>					
<b>At 30 JUNE 2023</b>					
Cost	11,981	-	-	-	11,981
Accumulated amortisation and impairment	(10,780)	-	-	-	(10,780)
<b>NET BOOK AMOUNT</b>	<b>1,201</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,201</b>
<b>30 JUNE 2024</b>					
Opening net book amount	1,201	-	-	-	1,201
Additions	135	635	-	5,991	6,761
Work in progress	-	2,069	-	743	2,812
Amortisation charge	(427)	(84)	-	(69)	(580)
Transfers to expenses	(25)	-	-	-	(25)
<b>CLOSING NET BOOK AMOUNT</b>	<b>884</b>	<b>2,620</b>	<b>-</b>	<b>6,665</b>	<b>10,169</b>
<b>At 30 JUNE 2024</b>					
Cost	12,091	2,704	-	6,734	21,529
Accumulated amortisation and impairment	(11,207)	(84)	-	(69)	(11,360)
<b>NET BOOK AMOUNT</b>	<b>884</b>	<b>2,620</b>	<b>-</b>	<b>6,665</b>	<b>10,169</b>
<b>GROUP</b>					
<b>At 30 JUNE 2023</b>					
Cost	12,114	-	-	-	12,114
Accumulated amortisation and impairment	(10,906)	-	-	-	(10,906)
<b>NET BOOK AMOUNT</b>	<b>1,208</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,208</b>
<b>30 JUNE 2024</b>					
Opening net book amount	1,208	-	-	-	1,208
Additions	135	635	237	5,991	6,998
Work in progress	-	2,069	-	743	2,812
Amortisation charge	(434)	(84)	-	(69)	(587)
Transfers to expenses	(25)	-	-	-	(25)
<b>CLOSING NET BOOK AMOUNT</b>	<b>884</b>	<b>2,620</b>	<b>237</b>	<b>6,665</b>	<b>10,406</b>
<b>At 30 JUNE 2024</b>					
Cost	12,224	2,704	237	6,734	21,899
Accumulated amortisation and impairment	(11,340)	(84)	-	(69)	(11,493)
<b>NET BOOK AMOUNT</b>	<b>884</b>	<b>2,620</b>	<b>237</b>	<b>6,665</b>	<b>10,406</b>

The Council currently holds carbon credits with a net book value of \$9,173 (2022/23: \$9,173).

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

There were no intangible asset capital commitments as at 30 June 2024 (2022/23: \$nil).

Carbon credits are expected to be fully utilised by the Council in satisfying carbon obligations from its landfill. As such, no impairment has been recognised (2022/23: nil).

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 12. FORESTRY ASSETS

#### Accounting policy

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

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

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

	COUNCIL AND GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000
<b>BALANCE AT 1 JULY</b>	<b>4,790</b>	<b>5,104</b>
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	396	(340)
Decrease due to harvest	(74)	-
Other changes	(354)	26
<b>BALANCE AT 30 JUNE</b>	<b>4,758</b>	<b>4,790</b>

The Council owns 216.8 hectares (2022/23: 235.1 hectares) of pinus radiata forest which are at varying stages of maturity ranging from five to 47 years. In addition, the Council is involved in two joint ventures (refer note 13) comprising 94.6 hectares (2022/23: 95.3 hectares) at varying stages of maturity ranging from 27 to 29 years (2022/23: 21 to 30 years).

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

#### Valuation

Independent registered valuers, PF Olsen Limited have valued forestry assets as at 30 June 2024 based on methodology recommended by the New Zealand Institute of Forestry.

A discount rate of 7.8 per cent, applied to pre-tax cash flows, has been used (2022/23: 7.8 per cent).

No allowance for inflation has been provided.

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

As at 30 June 2024	6.8%	7.8% (as used)	8.8%
Tree crop value (\$m)	5	5	5

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

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

As at 30 June 2024	10%	Base (as used)	-10%
Tree crop value (\$m)	6	5	3

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

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 13. EQUITY ACCOUNTED INVESTMENTS (JOINT VENTURES)

#### Accounting policy

A joint arrangement is a binding arrangement that confers enforceable rights and obligations on the parties to the arrangement that is subject to joint control. Joint control is the agreed sharing of control where decisions about the relevant activities require the unanimous consent of the parties sharing control.

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

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

#### Breakdown of investment in joint venture and further information

As at 30 June 2024, the Council is involved in two forestry joint venture agreements (2022/23: two forestry joint ventures) - Duthie Joint Venture (Council share 54.8 per cent) and McKay Joint Venture (Council share 56.5 per cent). Both joint ventures are domiciled in New Zealand.

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

	DUTHIE JV		MCKAY JV		TOTAL Council and Group	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
<b>Investment (at cost)</b>	<b>192</b>	<b>192</b>	<b>568</b>	<b>568</b>	<b>760</b>	<b>760</b>
Summarised financial information of joint ventures:						
- Non-current assets: forestry	633	476	1,749	1,827	2,382	2,303
- Current liabilities: creditors and other payables	(5)	(4)	(5)	(4)	(10)	(8)
<b>Net assets</b>	<b>628</b>	<b>472</b>	<b>1,744</b>	<b>1,823</b>	<b>2,372</b>	<b>2,295</b>
Gain on forestry assets	157	(66)	(79)	(325)	78	(391)
Operating expenditure	(8)	(8)	(10)	(9)	(18)	(17)
<b>Net surplus/(deficit)</b>	<b>149</b>	<b>(74)</b>	<b>(89)</b>	<b>(334)</b>	<b>60</b>	<b>(408)</b>
<b>Attributable to Council and Group<sup>1</sup></b>	<b>78</b>	<b>(44)</b>	<b>(55)</b>	<b>(193)</b>	<b>23</b>	<b>(237)</b>
<b>Reconciliation to equity accounted carrying amount</b>						
Joint ventures net assets (\$'000)	628	472	1,744	1,823	2,372	2,295
Council and Group's share	54.82%	54.82%	56.50%	56.50%	-	-
<b>Equity accounted carrying amount (\$'000)</b>	<b>342</b>	<b>258</b>	<b>985</b>	<b>1,028</b>	<b>1,327</b>	<b>1,286</b>

#### Risks associated with the Council's investment in joint ventures

Shareholder funding commitments for next three years	23	16	14	8	37	24
--	----	----	----	---	----	----

<sup>1</sup> Share of joint venture surplus attributable to Council and Group = gain on forestry assets x Council and Group share of joint venture - total operating expenditure.

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 14. OTHER FINANCIAL ASSETS

#### Accounting policy

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD).

The classification of a financial asset depends on its cash flow characteristics and the Council and Group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and Group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

#### *Subsequent measurement of financial assets at amortised cost*

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include debtors and other receivables, LGFA borrower notes, term deposits, community loans, and loans to subsidiaries and associates.

Loans to subsidiaries and associates includes the loan to Papa Rererangi i Puketapu Limited, which is carried at Amortised cost as there is no obligation to repay principal until expiry, and the interest rate is aligned with market rates, providing minimal benefit from fair value measurement.

#### *Subsequent measurement of financial assets at FVTOCRE*

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses which are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value, with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and Group designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term. Instruments in this category are bonds and shareholding in NZ Local Government Funding Agency (NZ LGFA) and shareholdings in Civic Financial Services Limited.

#### *Subsequent measurement of financial assets at FVTSD*

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Instruments in this category include derivatives and Council's investment in Tasmanian Land Company Limited and the Perpetual Investment Fund.

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### **Expected credit loss allowance (ECL)**

The Council and Group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council and Group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and Group's historical experience and informed credit assessment and including forward-looking information.

### **Previous accounting policy (summarised)**

In the previous year, other financial assets were classified into the following categories:

- financial assets at FVTSD (which included the Council's investment in Tasmanian Land Company Limited and the Perpetual Investment Fund);
- loans and receivables (which included debtors and other receivables, LGFA borrower notes, term deposits, related party loans and community loans); and
- FVTOCRE (which included bonds and shareholder in NZ Local Government Funding Agency (NZ LGFA) and shareholdings in Civic Financial Services Limited).

The main differences for the prior year policies are:

- Impairment was recorded only when there was objective evidence of impairment. For equity investments, a significant or prolonged decline in the fair value of the investment below its cost was considered objective evidence of impairment. For debt investments, significant financial difficulties of the debtor, probability the debtor would enter into bankruptcy, receivership or liquidation, and default in payments were indicators the asset is impaired.
- For shares, the cumulative gain or loss previously recognised in other comprehensive revenue and expense was transferred from equity to surplus or deficit on disposal of the investment.

### **Subsidiaries**

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

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

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

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
<b>CURRENT ASSETS</b>				
<b>Other financial assets</b>				
Term deposits with maturities of four to 12 months	29,216	8,582	29,216	9,083
Community and other loans	1,269	1,373	1,269	1,373
Waitara Perpetual Community Fund	21,245	19,434	21,245	19,434
Bonds, shares and other investments (PIF)	284,620	256,611	284,620	256,611
<b>Total other financial assets</b>	<b>336,350</b>	<b>286,000</b>	<b>336,350</b>	<b>286,501</b>
<b>NON-CURRENT ASSETS</b>				
<b>Other financial assets</b>				
Term deposits with maturities greater than 12 months	200	280	200	280
Community and other loans	1,996	3,282	1,996	3,282
Bonds, shares and other investments (PIF)	94,123	94,170	94,123	94,170
LGFA borrower notes	6,320	4,712	6,320	4,712
<b>Total other financial assets</b>	<b>102,639</b>	<b>102,445</b>	<b>102,639</b>	<b>102,445</b>
<b>Investment in CCOs and similar entities</b>				
Unlisted shares in Civic Financial Services Ltd and the LGFA	805	816	805	816
Unlisted shares in Papa Rererangi i Puketapu Limited	49,138	49,138	-	-
Loan to Papa Rererangi i Puketapu Limited	22,499	15,099	-	-
<b>Total investment in CCOs and similar entities</b>	<b>72,442</b>	<b>65,054</b>	<b>805</b>	<b>816</b>

### a) Breakdown of Council's investment in subsidiaries

Investment In	Principal Activity	2023/24 Actual \$'000	2022/23 Actual \$'000
Papa Rererangi i Puketapu Limited	Operates the New Plymouth Airport	71,637	64,237
New Plymouth PIF Guardians Limited	Oversees the Council's Perpetual Investment Fund	-	-
Venture Taranaki Trust	Taranaki's regional development agency	-	-
Tasmanian Land Company Limited	Wound up	-	-
<b>TOTAL INVESTMENT</b>		<b>71,637</b>	<b>64,237</b>

### b) Unlisted shares in subsidiaries (investment in CCOs)

#### *Papa Rererangi i Puketapu Limited (PRIP)*

The Council's unlisted shares in PRIP of \$49.1m (2022/23: \$49.1m) includes a \$14.1m 99-year finance lease for land. Under a finance lease, substantially all the risks and rewards incidental to legal ownership are transferred by the Council to PRIP. The substance of the transaction is that the Council has made a contribution to PRIP reflective of the difference between the fair value of the land (\$14.1m) and the present value of the minimum lease payments (\$99).

The leasehold interest in the land was last valued as at 30 June 2023 by TelferYoung (Taranaki) Limited in accordance with 2023 International Valuation Standards. The fair value of the land at 30 June is \$16,034,015 (2022/23: \$16,034,015).

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

#### *Tasmanian Land Company (TLC)*

The business operations of TLC, along with its subsidiaries Tasman Farms Limited (TFL) and The Van Diemen's Land Company (VLC) were sold on 31 March 2016. On 21 June 2018, TFL was placed into members' voluntary liquidation; however, TLC could not be wound up due to a pending dispute with Fonterra Australia. TLC was finally deregistered

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

on 28 June 2023. As part of the closure, the Council received a \$130,000 dividend and settlement of \$1,182,000, both of which were invested in the PIF, net of costs, in December 2023.

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

On 3 July 2017 the Council entered into a facility agreement with PRIP, making available to the Company both a non-current loan facility and a current facility.

The interest rate on the non-current loan has been set at the Council's cost of funds of 4.01 per cent (2022/23: 4.27 per cent) plus 0.15 per cent margin per annum. Drawdowns of \$7.4m have been made against the current facility during the year to 30 June 2024 (2022/23: nil).

### d) Bonds, shares and other investments (PIF)

The PIF is recorded at fair value and has been independently valued by Mercer. Gains or losses on remeasurement are recognised in the surplus or deficit. In December 2023 Council transferred the final settlement of its investment in Tasmanian Land Company of \$1,182,000 to the PIF investment fund.

	COUNCIL	
	2023/24 Actual \$'000	2022/23 Actual \$'000
<b>OPENING BALANCE</b>	350,783	339,894
<b>Revenue and gains:</b>		
Net unrealised gains	41,372	24,321
<b>Total revenue and gains</b>	<b>41,372</b>	<b>24,321</b>
Less direct expenses	(3,069)	(2,572)
<b>NET SURPLUS FOR THE YEAR</b>	<b>38,303</b>	<b>21,749</b>
<b>Transfers in/(out) of the fund:</b>		
Reimbursement of costs to the Council	(266)	(239)
Tasmanian Land Company final distribution reinvested	1,310	-
Release to the Council (including interest)	(11,385)	(10,622)
<b>Total transfers in/(out) of the fund</b>	<b>(10,341)</b>	<b>(10,861)</b>
<b>Net change in PIF investment</b>	<b>27,962</b>	<b>10,889</b>
<b>CLOSING BALANCE</b>	<b>378,745</b>	<b>350,783</b>
<i>Portfolio asset allocation:</i>		
Alternative assets	65,725	61,352
Private equity	94,123	94,170
Developed market global equities	134,235	116,051
Emerging markets	23,107	18,390
Fixed revenue	56,660	51,993
Cash	4,895	8,827
<b>CLOSING BALANCE</b>	<b>378,745</b>	<b>350,783</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

Through the PIF, the Council has commitments to subscribe to a number of private equity funds. As of 30 June 2024 \$26.3m (2022/23: \$31.6m) of this commitment was yet to be called up.

On 28 June 2023, Parliament passed the New Plymouth District Council (Perpetual Investment Fund) Act. The objectives of the Act are to:

- a) ensure that the funds are only used for the benefit of communities in the New Plymouth District;
- b) to provide principles for sustainable management of the funds; and
- c) to ensure investment decisions are made on an independent and prudent commercial basis.

The Act was given Royal Assent on 6 July 2023.

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 15. WAITARA LANDS ACT

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

Under the Act, the land is recognised under restricted assets (refer note 9), which imposes limitations on the ownership and disposal of the land by the Council. The Act mandates the establishment of several funds:

- Waitara River Improvement Fund<sup>1</sup>: Aimed at enhancing the health and well-being of the Waitara River and its catchment area.
- Hapū Land Fund<sup>2</sup>: Designed to assist the Waitara hapū in purchasing, developing, and managing land in and around Waitara.
- Waitara Perpetual Community Fund<sup>3</sup>: Intended to improve the social, economic, cultural, and environmental well-being of Waitara.

<sup>1</sup> The Taranaki Regional Council has statutory interests in some of the proceeds from these funds and holds specific roles and responsibilities regarding the Waitara River and its catchment. It has established the Waitara River Committee to oversee these interests.

<sup>2</sup> The Te Kōwhatu Tū Moana Trust was created by the Act to manage the Hapū Land Fund. On 17 March 2020, \$1.57 million of land previously owned by the Council was transferred to the Trust. The Trust's funds are kept in a separate bank account and are invested according to instructions from the Trust. The remaining funds are recorded as a liability in the Council's Statement of Financial Position under Waitara Lands Act liability.

<sup>3</sup> The Te Tai Pari Board contributed to the development of the Waitara Perpetual Community Fund's Statement of Investment Policy and Objectives (SIPO). This document outlines the investment strategy, objectives, and the allocation of responsibilities among the Board, Council, and the Fund Outsource Agent, who is appointed by Council for the selection and oversight of investment managers, as well as maintaining the investment portfolio consistent with the SIPO. Ultimately, the Council retains responsibility for investment management and compliance with the SIPO. The Board determines the annual distributions from the Fund in accordance with the SIPO's guidelines.

Further information on the activities performed by the Board are listed in our website <https://www.npdc.govt.nz/community/community-partnerships/te-tai-pari-board/>

#### Freehold sales

For the year ended 30 June, one land parcel was purchased freehold (2022/23: 5). At year end, 461 properties in total have been purchased freehold since the Act came into effect. Proceeds from the sales to date amount to \$53.0m. An additional two sales were awaiting settlement at balance date. Proceeds from these sales will be \$0.43m.

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

	COUNCIL AND GROUP			
	2022/23 Total sales	Share of sales proceeds from former Borough and portfolio land	Share of sales proceeds from other land	2023/24 Total sales
	\$'000	\$'000	\$'000	\$'000
Waitara Perpetual Community Fund	284	-	44	44
Hapū Land Fund	283	-	44	44
Taranaki Regional Council (River Fund)	369	-	89	89
NPDC (reimburse costs)	22	-	8	8
<b>TOTAL FREEHOLD SALES</b>	<b>958</b>	<b>-</b>	<b>185</b>	<b>185</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### Leasehold income

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

	COUNCIL AND GROUP			
	2022/23	Share of	Share of	2023/24
	Total leasehold income	leasehold income from former Borough and portfolio land	leasehold income from other land	Total leasehold income
	\$'000	\$'000	\$'000	\$'000
Waitara Perpetual Community Fund	316	204	120	324
Hapū Land Fund	315	204	120	324
Taranaki Regional Council (River Fund)	223	-	240	240
NPDC (reimburse costs)	142	-	136	136
<b>TOTAL LEASEHOLD INCOME</b>	<b>996</b>	<b>408</b>	<b>616</b>	<b>1,024</b>

### Distributions

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

	COUNCIL AND GROUP				
	2022/23	Share of	Share of	Interest	2023/24
	Total distributions	freehold sales	leasehold income	earned	Total distributions
	\$'000	\$'000	\$'000	\$'000	\$'000
Waitara Perpetual Community Fund	15	-	-	39	39
Hapū Land Fund	935	44	324	1,320	1,688
Taranaki Regional Council (River Fund)	534	89	240	-	329
<b>TOTAL WAITARA LANDS ACT DISTRIBUTION EXPENSE</b>	<b>1,484</b>	<b>133</b>	<b>564</b>	<b>1,359</b>	<b>2,056</b>

### Waitara Lands Act restricted reserves and liability

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

	COUNCIL AND GROUP				
	Balance at 1 July 2023	Net gain/ (losses) on investments	Share of distributions	Payments made	Balance at 30 June 2024
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Restricted reserves</b>					
Waitara Perpetual Community Fund <sup>1</sup>	20,257	1,847	368	(282)	22,190
<b>Total restricted reserves</b>	<b>20,257</b>	<b>1,847</b>	<b>368</b>	<b>(282)</b>	<b>22,190</b>
<b>Liability</b>					
Hapū Land Fund <sup>2</sup>	16,986	1,320	368	-	18,674
Taranaki Regional Council (River Fund) <sup>3</sup>	532	-	329	(473)	388
<b>Total liability</b>	<b>17,518</b>	<b>1,320</b>	<b>697</b>	<b>(473)</b>	<b>19,062</b>
<b>TOTAL WAITARA LANDS ACT RESTRICTED RESERVES AND LIABILITY</b>	<b>37,775</b>	<b>3,167</b>	<b>1,065</b>	<b>(755)</b>	<b>41,252</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

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

At 30 June, \$0.8m was held on a separate bank account (refer note 16) (2022/23: \$0.3m) and \$21.2m was invested in two portfolios through Mercer New Zealand as fully outsourced agent (2022/23: term deposits of \$19.4m at 1.57 per cent). At 30 June there was \$0.4m yet to be transferred by the Council to the Waitara Perpetual Community Fund bank account (2022/23: \$0.4m).

<sup>2</sup> The Council holds funds in a separate bank account held for the establishment of the Hapū Land Fund (refer note 16). At 30 June, the balance of the account was \$18.2m (2022/23: \$6.4m) and \$nil was held on a term deposit (2022/23: \$10m at 4.2 per cent). As at 30 June there was \$0.4m yet to be transferred by the Council to the bank account (2022/23: \$0.4m).

<sup>3</sup> During the year, cash distributions totalling \$0.5m were made to the Taranaki Regional Council (River Fund) (2022/23: \$0.6m). At 30 June 2024, there was \$0.4m yet to be distributed (2022/23: \$0.5m).

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 16. CASH AND CASH EQUIVALENTS

#### Accounting policy

Cash and cash equivalents are made up of cash on hand, on-demand deposits and other short-term highly liquid investments, net of bank overdrafts. Bank overdrafts form part of Council's cashflow management and therefore are included as a component of cash and cash equivalents. The carrying value of cash at bank and short-term deposits with original maturities less than three months approximates their fair value.

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
Cash at bank and on hand	19,257	45,939	26,939	51,156
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>19,257</b>	<b>45,939</b>	<b>26,939</b>	<b>51,156</b>

#### Funds subject to restrictions

The Council holds unspent funds of \$50.1m (2022/23: \$40.4m) that are subject to restrictions and are included in cash and cash equivalents and other financial assets. These unspent funds relate to trusts and bequests received, term deposits associated with underlying loans, lump sum contributions, Waitara Lands Act operations account, Waitara Perpetual Community Fund and Hapū Land and other funds received with restrictions where the spending of the funds is separately monitored. The restrictions generally specify how the funds are required to be spent.

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 17. DEBTORS AND OTHER RECEIVABLES

#### Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council and Group apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are “written-off”:

- when remitted in accordance with the Council’s rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Maori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
<b>Net trade receivables</b>				
Trade receivables	6,601	9,267	7,128	9,844
Rates receivables	4,907	4,273	4,907	4,273
Other receivables	1,417	1,475	1,619	1,613
Provision for doubtful receivables	(1,456)	(1,205)	(1,493)	(1,220)
<b>NET DEBTORS</b>	<b>11,469</b>	<b>13,810</b>	<b>12,161</b>	<b>14,510</b>
<b>Other prepayments</b>	<b>1,797</b>	<b>1,249</b>	<b>1,823</b>	<b>1,271</b>
<b>Accruals</b>				
Accrued revenue	7,032	2,704	7,030	2,705
GST receivable	7,063	3,198	7,120	3,338
	<b>14,095</b>	<b>5,902</b>	<b>14,152</b>	<b>6,043</b>
<b>TOTAL DEBTORS AND OTHER RECEIVABLES</b>	<b>27,361</b>	<b>20,961</b>	<b>28,136</b>	<b>21,824</b>
<i>Total receivables comprise:</i>				
Receivables from exchange transactions <sup>1</sup>	22,794	16,030	23,552	16,893
Receivables from non-exchange transactions <sup>2</sup>	4,567	4,931	4,584	4,931
<b>TOTAL DEBTORS AND OTHER RECEIVABLES</b>	<b>27,361</b>	<b>20,961</b>	<b>28,136</b>	<b>21,824</b>

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

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

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### a) Expected credit loss

The expected credit loss rates for receivables at 30 June 2024 and 30 June 2023 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the recoverability of receivables. Given the short period of credit risk exposure, the impact of macroeconomic factors is not considered significant.

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.

The allowance for credit losses at 30 June 2024 and 30 June 2023 was determined as follows:

	Receivable days past due				Total
	Current	More than 30 days	More than 60 days	More than 90 days	
<b>COUNCIL</b>					
<b>30 June 2024</b>					
Expected credit loss rate	0%	0%	0%	22%	-
Gross carrying amount (\$'000)	15,631	2,741	90	6,592	25,054
Lifetime expected credit loss (\$'000)	-	-	-	1,460	1,460
<b>30 June 2023</b>					
Expected credit loss rate	0%	0%	0%	31%	-
Gross carrying amount (\$'000)	12,428	664	41	3,859	16,992
Lifetime expected credit loss (\$'000)	-	-	-	1,207	1,207
<b>GROUP</b>					
<b>30 June 2024</b>					
Expected credit loss rate	0%	0%	5%	23%	-
Gross carrying amount (\$'000)	16,327	2,760	107	6,622	25,816
Lifetime expected credit loss (\$'000)	-	-	5	1,491	1,496
<b>30 June 2023</b>					
Expected credit loss rate	0%	1%	7%	31%	-
Gross carrying amount (\$'000)	13,156	677	45	3,877	17,755
Lifetime expected credit loss (\$'000)	-	7	3	1,227	1,237

### b) Rates receivables

The Council and Group does not provide for ECLs on rates receivable. The Council has various powers under the Local Government (Rating) Act 2002 (LG(R)A 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 judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

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

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

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
At 1 July	1,207	965	1,222	972
Additional provisions made during the year	249	242	271	250
<b>TOTAL PROVISION FOR UNCOLLECTABILITY</b>	<b>1,456</b>	<b>1,207</b>	<b>1,493</b>	<b>1,222</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 18. CREDITORS AND OTHER PAYABLES

#### Accounting policy

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

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
Trade payables	25,755	20,994	26,791	21,865
Deposits and bonds	2,042	2,091	2,042	2,091
Revenue in advance	8,270	8,505	9,034	9,424
Contract retentions	243	324	321	324
Other payables	3,820	2,196	3,848	2,224
Accrued interest on borrowings	1,803	1,980	2,004	1,980
<b>TOTAL CREDITORS AND OTHER PAYABLES</b>	<b>41,933</b>	<b>36,090</b>	<b>44,040</b>	<b>37,908</b>
<b>TOTAL CREDITORS AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS</b>	<b>41,933</b>	<b>36,090</b>	<b>44,040</b>	<b>37,908</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 19. BORROWINGS

#### Accounting policy

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

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

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

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
<b>Current</b>				
Debenture stock	29,000	44,142	29,000	44,142
Local Government Funding Agency	31,144	30,000	31,144	30,000
<b>TOTAL CURRENT BORROWINGS</b>	<b>60,144</b>	<b>74,142</b>	<b>60,144</b>	<b>74,142</b>
<b>Non-Current</b>				
Local Government Funding Agency	269,500	189,500	269,497	189,500
<b>TOTAL NON-CURRENT BORROWINGS</b>	<b>269,500</b>	<b>189,500</b>	<b>269,497</b>	<b>189,500</b>

#### Interest terms

The Council has \$71.5m of its total debt of \$329.6m issued at fixed rates of interest (2022/23: \$49.5m of \$263.6m). The remainder of the Council's loans are issued at floating interest rates. For floating rate debt, the interest rate is reset quarterly based on the 90-day bank bill rate plus a margin for credit risk.

Total Borrowings includes \$21m of prefunding debt and \$6.8m additional debt approved by Council for cashflow management. The prefunding has been reinvested until it is required in April 2025.

Interest rates range from 1.4 per cent to 6.5 per cent (2022/23: 1.4 per cent to 6.4 per cent) – weighted average rate of 3.5 per cent (2022/23: 3.7 per cent). Total interest costs were \$11.6m (2022/23: \$9.7m).

The Council has \$171m of interest rate swaps and \$50m in forward interest rates swaps in place to fix and manage interest payments (refer note 24).

#### Security

The Council's loans have been issued in accordance with the LGA. The loans are secured through the debenture trust deed over all rates. As at 30 June, the Council has issued to its bankers security certificates totaling \$23.8b (2022/23: \$18.6b) to secure the various bank loan facilities, bank overdraft and guarantees issued on behalf of the Council.

#### Fair value

Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of the majority of secured loans approximates their fair value. There are \$66.5m (2022/23: \$40.5m) of secured loans that have been issued at fixed rate and have greater than 12 months to maturity. The fair value of these loans is \$67.1m (2022/23: \$40.8m). Fair value has been determined using contractual cash flows discounted using a rate based on market borrowing rates at balance date of 4.0 per cent (2022/23: 2.7 per cent).

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 20. PROVISIONS

#### Accounting policy

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

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

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

	COUNCIL AND GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000
<b>Current provisions</b>		
Landfill aftercare provision	51	283
Other	486	809
<b>TOTAL CURRENT PROVISIONS</b>	<b>537</b>	<b>1,092</b>
<b>Non-current provisions</b>		
Landfill aftercare provision	1,778	1,784
<b>TOTAL NON-CURRENT PROVISIONS</b>	<b>1,778</b>	<b>1,784</b>

	Weather-tightness Claims	Landfill Aftercare	Carbon Credits	Other	Council and Group
<b>BALANCE AT 30 JUNE 2023</b>	-	<b>2,067</b>	-	<b>809</b>	<b>2,876</b>
Additional provisions made	-	0	-	326	326
Amounts used	-	(238)	-	(649)	(887)
<b>BALANCE AT 30 JUNE 2024</b>	-	<b>1,829</b>	-	<b>486</b>	<b>2,315</b>

#### a) Weathertightness claims

No new claims have been lodged with the Weathertight Homes Resolution Service (WHRS) in the year to 30 June 2024 (2022/23: Nil).

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

#### b) Landfill closure and aftercare liability

The long-term nature of these liabilities means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and known changes to legal requirements, an inflation factor of 2.35 per cent (2022/23: 2.35 per cent) and a discount rate of 5.01 per cent (2022/23: 4.85 per cent).

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

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 21. EMPLOYEE ENTITLEMENTS

#### Accounting policy

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

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

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

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

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
<b>Current employee entitlements</b>				
Annual leave	4,110	3,592	4,323	3,766
Payroll accruals	200	2,152	366	2,285
<b>TOTAL CURRENT EMPLOYEE ENTITLEMENTS</b>	<b>4,310</b>	<b>5,744</b>	<b>4,689</b>	<b>6,051</b>
<b>Non-current employee entitlements</b>				
Long service leave	19	104	19	104
Retirement gratuities	340	398	340	398
<b>TOTAL NON-CURRENT EMPLOYEE ENTITLEMENTS</b>	<b>359</b>	<b>502</b>	<b>359</b>	<b>502</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 22. TAX

#### Accounting policy

##### Income tax

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

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

##### Deferred tax

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

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

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

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

#### a) Components of tax expense

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
Current tax	-	-	821	42
Deferred tax	-	-	4,533	712
<b>TOTAL INCOME TAX (REFUND)/EXPENSE</b>	<b>-</b>	<b>-</b>	<b>5,354</b>	<b>754</b>

#### b) Relationship between tax expense and accounting profit

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
<b>Surplus/(deficit) before tax</b>	<b>18,329</b>	<b>(14,439)</b>	<b>20,571</b>	<b>(11,992)</b>
Tax at 28 per cent	5,132	(4,043)	5,760	(3,358)
(Less)/plus tax effect of non-assessable revenue	(5,132)	4,043	(406)	4,112
<b>TOTAL INCOME TAX/(REFUND)</b>	<b>-</b>	<b>-</b>	<b>5,354</b>	<b>754</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### c) Current tax asset/(liability)

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
<b>TAX (PAYABLE)/RECEIVABLE</b>	-	-	736	42

The Council has \$1,811,666 (2022/23: \$1,388,432 unrecognised tax losses available to carry-forward).

### d) Group deferred tax asset/(liability)

	Property, plant and equipment \$'000	Other provisions and tax losses \$'000	Total \$'000
<b>BALANCE AT 1 JULY 2022</b>	<b>(1,989)</b>	<b>224</b>	<b>(1,765)</b>
Charged to surplus or deficit	-	(713)	(713)
Charged to other comprehensive revenue and expense	(2,333)	-	(2,333)
Adjustments to current tax in prior years	-	43	43
<b>BALANCE AT 30 JUNE 2023</b>	<b>(4,322)</b>	<b>(446)</b>	<b>(4,768)</b>
Charged to surplus or deficit	(4,544)	12	(4,532)
Charged to other comprehensive revenue and expense	-	-	-
Adjustments to current tax in prior years	-	-	-
<b>BALANCE AT 30 JUNE 2024</b>	<b>(8,866)</b>	<b>(434)</b>	<b>(9,300)</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 23. EQUITY AND CAPITAL MANAGEMENT

#### Accounting policy

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

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

#### Accumulated funds

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

#### Ordinary reserves

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

#### Restricted reserves

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

#### Asset revaluation reserves

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

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
<b>Accumulated funds</b>				
<b>BALANCE AT 1 JULY</b>	1,612,683	1,606,616	1,602,297	1,594,494
Losses transferred from property, plant and equipment revaluation reserve	-	(650)	-	(607)
Transfer (to)/from reserves	19,931	21,156	19,931	21,156
Surplus/(deficit) for the year	18,329	(14,439)	15,217	(12,746)
<b>TOTAL ACCUMULATED FUNDS AT 30 JUNE</b>	<b>1,650,943</b>	<b>1,612,683</b>	<b>1,637,445</b>	<b>1,602,297</b>
<b>Reserves include:</b>				
<b>BALANCE AT 30 JUNE</b>				
Property, plant and equipment revaluation reserve	1,930,686	1,928,507	1,954,448	1,952,269
Fair value through other comprehensive revenue and expense	101	113	101	113
Transfer to restricted reserves	27,257	28,652	27,257	28,652
Transfer from restricted reserves	(47,909)	(50,215)	(47,909)	(50,215)
Interest on restricted reserves	721	407	721	407
Opening balance reserves	62,997	84,153	62,997	84,153
<b>TOTAL RESERVES</b>	<b>1,973,853</b>	<b>1,991,617</b>	<b>1,997,615</b>	<b>2,015,379</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
<b>Property, Plant and Equipment Revaluation Reserve</b>				
<b>BALANCE AT 1 JULY</b>	<b>1,928,507</b>	<b>1,935,841</b>	<b>1,952,269</b>	<b>1,954,503</b>
Revaluation gains/(losses)	2,179	(7,984)	2,179	(551)
Transfer to accumulated funds on disposal of property	-	-	-	-
Losses transferred to accumulated funds	-	650	-	650
Deferred tax on revaluation	-	-	-	(2,333)
Deferred tax liability on revaluation transferred from accumulated funds	-	-	-	-
<b>TOTAL REVALUATION RESERVE AT 30 JUNE</b>	<b>1,930,686</b>	<b>1,928,507</b>	<b>1,954,448</b>	<b>1,952,269</b>
<i>Property revaluation reserves for each asset class consist of:</i>				
- Infrastructure	1,620,658	1,618,258	1,623,189	1,620,789
- Operational land	54,641	54,638	68,597	68,594
- Operational buildings	103,234	103,458	110,509	110,734
- Restricted land	136,094	136,094	136,094	136,094
- Restricted art	6,637*	-	6,637*	-
- Restricted museum	9,422*	-	9,422*	-
- Restricted art/museum	-	16,059	-	16,059
	<b>1,930,686</b>	<b>1,928,507</b>	<b>1,954,448</b>	<b>1,952,269</b>

\* Historically, revaluation gains on assets classified within the classes Puke Ariki museum collection and Govett-Brewster/Len Lye Centre collection (note 9) were all recognised within a combined "restricted art/museum" revaluation reserve. During the current year, accumulated revaluation gains for these asset classes have been split into separate "restricted art" and "restricted museum" revaluation reserves for clarity. There were no changes in the accumulated revaluation gains for these asset classes during the current year.

### a) Ordinary and restricted reserves

	Balance at 1 July \$'000	Transfers into fund \$'000	Transfers out of fund \$'000	Balance at 30 June \$'000
<b>2023/24 - COUNCIL AND GROUP</b>				
Renewal and disaster funds	25,935	20,357	(29,311)	16,981
Restricted reserves, Trust and bequest funds	10,424	939	(12,045)	(682)
Waitara Perpetual Community Fund (note 15)	20,257	4,560	(2,627)	22,190
Operating reserve funds <sup>1</sup>	5,216	684	(2,488)	3,412
Development funds	1,165	1,438	(1,438)	1,165
<b>TOTAL ORDINARY AND RESTRICTED RESERVES</b>	<b>62,997</b>	<b>27,978</b>	<b>(47,909)</b>	<b>43,066</b>
<b>2022/23 - COUNCIL AND GROUP</b>				
Renewal and disaster funds	42,101	20,090	(36,256)	25,935
Restricted reserves, Trust and bequest funds	12,808	831	(3,215)	10,424
Waitara Perpetual Community Fund (note 15)	18,365	5,013	(3,121)	20,257
Operating reserve funds <sup>1</sup>	9,545	80	(4,409)	5,216
Development funds	1,334	3,045	(3,214)	1,165
<b>TOTAL ORDINARY AND RESTRICTED RESERVES</b>	<b>84,153</b>	<b>29,059</b>	<b>(50,215)</b>	<b>62,997</b>

<sup>1</sup> The opening balance of the operating reserves funds for the Council only is \$5,216,000, which differs from the Group value of \$5,160,000 by \$56,000. Transfers in and out of the fund are the same for both Council and Group.

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### b) Purpose of each reserve

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

#### *Renewal and disaster funds*

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

#### *Restricted reserves, Trust and bequest funds*

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

#### *Other reserves*

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

- **Operating reserve funds.** These are set aside to fund short-term operational matters such as holding short-term surpluses arising from water supply and wastewater treatment operations and some internal services.
- **Smoothing reserve funds.** These fund significant costs incurred generally every three years. An annual general charge is made to level out the impacts of these costs on rates. These include asset revaluations, Long-Term Plan audit fee, Council elections and orthophotography. These funds are applied to infrastructural services, some internal services and civic and democracy services.
- **Development funds.** These arise from development and financial contributions levied by the Council for capital works and are intended to contribute to the growth related capital expenditure in the infrastructural asset activities of Roads, Water Supply, Wastewater, Stormwater, Flood Protection, Parks, Recreation and Events, Puke Ariki and Govett-Brewster Art Gallery/ Len Lye Centre. These reserves also include the waste management and minimisation fund which was set up for capital, renewal and emergency maintenance works associated with the District's solid waste disposal systems.

### c) Capital management

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

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

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

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

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 24. FINANCIAL RISK MANAGEMENT

#### Accounting policy

##### Derivative financial instruments

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

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

The Council does not designate any derivatives as hedging instruments.

##### Other financial instruments

During the year ended 30 June 2023 the Council and Group adopted PBE IPSAS 41.

In accordance with the transitional provisions in PBE IPSAS 41, the Council and Group have elected not to restate the comparative information. The comparative information continues to be reported under PBE IPSAS 29. Adjustments arising from the adoption of PBE IPSAS 41 are recognised in opening equity at 1 July 2022 (the date of initial application).

The accounting policies for the year ended 30 June 2023 have been updated to comply with PBE IPSAS 41. The main changes to the Council and Group's accounting policies are:

- Note 16 – Debtors and other receivables. This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying the simplified Expected Credit Loss model.
- Note 14 – Other financial assets. This policy has been updated to reflect:
  - the new classification categories; and
  - the measurement and recognition of loss allowances based on the new expected credit loss (ECL) model.

There were no changes to the Council and Group's accounting policies for financial instruments during the year ended 30 June 2024.

On the date of initial of application of PBE IPSAS 41 (30 June 2023), the classification of financial assets under PBE IPSAS 41 and PBE IPSAS 29 is outlined in the tables below. There was no change in the carrying amounts of these financial assets.

	PBE IPSAS 29	PBE IPSAS 41	Actual	Actual	Adoption adjustment
			1 July 2022	1 July 2022	
			\$'000	\$'000	\$'000
<b>Financial assets</b>					
Bonds and shareholding	FVTOCRE	FVTOCRE	49,476	49,476	-
Derivatives	FVTSD	FVTSD	4,413	4,413	-
Cash and cash equivalents	Loans and receivables	Amortised cost	35,971	35,971	-
Receivables	Loans and receivables	Amortised cost	17,623	17,623	-
Term deposits	Loans and receivables	Amortised cost	29,605	29,605	-
Community loans	Loans and receivables	Amortised cost	6,024	6,024	-
Loans to related parties	Loans and receivables	Amortised cost	15,099	15,099	-
Investment in Tasmanian Land Company Limited	FVTSD	FVTSD	896	896	-
Perpetual Investment Fund	FVTSD	FVTSD	338,996	338,996	-
LGFA borrower notes	Loans and receivables	FVTSD	3,192	3,192	-
<b>TOTAL FINANCIAL ASSETS</b>			<b>501,295</b>	<b>501,295</b>	<b>-</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

The measurement categories and carrying amounts for financial liabilities have not changed on transition to PBE IPSAS 41.

	PBE IPSAS 29	PBE IPSAS 41	Actual	Actual	Adoption adjustment
			1 July 2022	1 July 2022	
			\$'000	\$'000	\$'000
<b>Financial liabilities</b>					
Creditors and other payables	Amortised cost	Amortised cost	20,712	20,712	-
Borrowings - debenture stock	Amortised cost	Amortised cost	34,000	34,000	-
Borrowings - LGFA	Amortised cost	Amortised cost	169,500	169,500	-
Interest rate swaps	FVTSD	FVTSD	338	338	-
<b>TOTAL FINANCIAL LIABILITIES</b>			<b>224,550</b>	<b>224,550</b>	<b>-</b>

### Additional information in relation to subsequent measurement classification assessment

PBE IPSAS 41 requires debt instruments to be subsequently measured at FVTSD, amortised cost, or FVTOCRE. This classification is based on the business model for managing the debt instruments, and whether the payments are for solely payments of principal or interest on the principal amount outstanding.

Council's debt instruments are solely comprised of contractual cash flows solely for payments of principal and interest, in line with basic lending arrangements. This assessment was based on the facts and circumstances as at the initial recognition of the assets.

PBE IPSAS 41 requires equity instruments to be classified at FVTSD. However, it permits entities to make an irrevocable election on transition to PBE IPSAS 41 to subsequently measure at FVTOCRE if the shares are not held for trading. The Council has elected to subsequently measure all of its shares at FVTOCRE.

### a) Market risk

#### Interest rate risk

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

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

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

Outstanding fixed or floating	COUNCIL AND GROUP					
	Average Contract Fixed Interest		Notional Principal Amount		Fair Value	
	2023/24 %	2022/23 %	2023/24 \$'000	2022/23 \$'000	2023/24 \$'000	2022/23 \$'000
Less than one year	3.00	4.23	115,000	17,000	941	190
One to five years	3.60	3.29	57,000	167,000	1,453	6,357
Greater than five years	3.95	3.97	49,000	54,000	876	854
	<b>3.48</b>	<b>3.51</b>	<b>221,000</b>	<b>238,000</b>	<b>3,270</b>	<b>7,401</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### Sensitivity analysis

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

30 JUNE 2024	COUNCIL AND GROUP			
	-100bps		+100bps	
	Surplus/ (Deficit) \$'000	Equity \$'000	Surplus/ (Deficit) \$'000	Equity \$'000
<b>Financial assets</b>				
Cash at bank and term deposits	-	-	-	-
Derivative financial instruments	(3,734)	-	3,529	-
LGFA borrower notes	1,301	-	188	-
<b>Financial liabilities</b>				
Derivative financial instruments	-	-	-	-
Borrowings - secured loans	7,925	-	(7,925)	-
<b>TOTAL SENSITIVITY</b>	<b>5,492</b>	<b>-</b>	<b>(4,208)</b>	<b>-</b>

30 JUNE 2023	COUNCIL AND GROUP			
	-100bps		+100bps	
	Surplus/ (Deficit) \$'000	Equity \$'000	Surplus/ (Deficit) \$'000	Equity \$'000
<b>Financial assets</b>				
Cash at bank and term deposits	-	-	-	-
Derivative financial instruments	(4,838)	-	4,629	-
LGFA borrower notes	1,685	-	183	-
<b>Financial liabilities</b>				
Derivative financial instruments	(287)	-	258	-
Borrowings - secured loans	7,852	-	(7,853)	-
<b>TOTAL SENSITIVITY</b>	<b>4,412</b>	<b>-</b>	<b>(2,783)</b>	<b>-</b>

### b) Credit risk

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

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

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

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

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

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

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
<b>MAXIMUM EXPOSURE TO CREDIT RISK</b>				
Cash at bank and term deposits	48,673	54,801	56,355	60,519
Debtors and other receivables	25,564	19,710	26,313	20,551
Community and related party loans	25,763	19,619	3,265	4,521
LGFA borrower notes	6,320	4,712	6,320	4,712
Bonds, shares and other investments (PIF)	378,743	350,781	378,743	350,781
	<b>485,064</b>	<b>449,623</b>	<b>470,996</b>	<b>441,084</b>
<b>CREDIT QUALITY OF FINANCIAL ASSETS</b>				
<b>Counterparties with credit ratings - cash at bank and term deposits; LGFA borrower notes</b>				
AA- or higher	44,967	58,496	52,649	63,713
A-	15,026	1,017	15,026	1,518
<b>TOTAL CASH AT BANK AND TERM DEPOSITS</b>	<b>59,993</b>	<b>59,513</b>	<b>67,675</b>	<b>65,231</b>

### c) Liquidity risk

#### Management of liquidity risk

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

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

The Council has a maximum amount that can be drawn down against call facilities at two separate banks totalling \$20m (2022/23: \$15m). There are no restrictions on the use of the facilities. At balance date \$5m had been drawn down on these facilities (2022/23: nil).

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

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

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

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

<b>COUNCIL 2024</b>	<b>Less than 1 year \$'000</b>	<b>Between 1 and 5 years \$'000</b>	<b>Over 5 years \$'000</b>	<b>Contractual cash flows \$'000</b>	<b>Carrying amount \$'000</b>
<b>Financial assets</b>					
Cash and cash equivalents	19,257	-	-	19,257	19,257
Debtors and other receivables	25,564	-	-	25,564	25,564
Term deposits	30,301	227	-	30,528	29,416
Community and related party loans	2,137	5,473	29,672	37,282	25,763
LGFA borrower notes	396	5,985	2,060	8,441	6,320
<b>TOTAL FINANCIAL ASSETS</b>	<b>77,655</b>	<b>11,685</b>	<b>31,732</b>	<b>121,072</b>	<b>106,320</b>
<b>Financial liabilities</b>					
Creditors and other payables	33,663	-	-	33,663	33,663
Borrowings	61,268	185,549	144,189	391,006	329,644
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>94,931</b>	<b>185,549</b>	<b>144,189</b>	<b>424,669</b>	<b>363,307</b>

<b>COUNCIL 2023</b>	<b>Less than 1 year \$'000</b>	<b>Between 1 and 5 years \$'000</b>	<b>Over 5 years \$'000</b>	<b>Contractual cash flows \$'000</b>	<b>Carrying amount \$'000</b>
<b>Financial assets</b>					
Cash and cash equivalents	45,939	-	-	45,939	45,939
Debtors and other receivables	19,712	-	-	19,712	19,712
Term deposits	8,622	289	-	8,911	8,862
Community and related party loans	1,010	5,644	20,410	27,067	19,754
LGFA borrower notes	682	2,452	2,972	6,106	4,712
<b>TOTAL FINANCIAL ASSETS</b>	<b>75,965</b>	<b>8,385</b>	<b>23,382</b>	<b>107,732</b>	<b>98,979</b>
<b>Financial liabilities</b>					
Creditors and other payables	27,585	-	-	27,585	27,585
Borrowings	75,765	82,173	160,519	318,457	263,642
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>103,350</b>	<b>82,173</b>	<b>160,519</b>	<b>346,042</b>	<b>291,227</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

GROUP 2024	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Contractual cash flows \$'000	Carrying amount \$'000
<b>Financial assets</b>					
Cash and cash equivalents	26,939	-	-	26,939	26,939
Debtors and other receivables	26,313	-	-	26,313	26,313
Term deposits	30,301	227	-	30,528	29,416
Community and related party loans	1,269	1,999	-	3,268	3,265
LGFA borrower notes	396	5,985	2,060	8,441	6,320
<b>TOTAL FINANCIAL ASSETS</b>	<b>85,218</b>	<b>8,211</b>	<b>2,060</b>	<b>95,489</b>	<b>92,253</b>
<b>Financial liabilities</b>					
Creditors and other payables	35,006	-	-	35,006	35,006
Borrowings	61,268	185,549	144,189	391,006	329,641
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>96,274</b>	<b>185,549</b>	<b>144,189</b>	<b>426,012</b>	<b>364,647</b>

GROUP 2023	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Contractual cash flows \$'000	Carrying amount \$'000
<b>Financial assets</b>					
Cash and cash equivalents	51,156	-	-	51,156	51,156
Debtors and other receivables	20,553	-	-	20,553	20,553
Term deposits	8,622	289	-	8,911	9,363
Community and related party loans	440	3,367	39	3,846	4,655
LGFA borrower notes	682	2,452	2,972	6,106	4,712
<b>TOTAL FINANCIAL ASSETS</b>	<b>81,453</b>	<b>6,108</b>	<b>3,011</b>	<b>90,572</b>	<b>90,439</b>
<b>Financial liabilities</b>					
Creditors and other payables	28,484	-	-	28,484	28,484
Borrowings	75,765	82,173	160,519	318,457	263,639
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>104,249</b>	<b>82,173</b>	<b>160,519</b>	<b>346,941</b>	<b>292,123</b>

### d) Fair value estimation

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

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

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

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

	VALUATION TECHNIQUE			
	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	\$'000	\$'000	\$'000	\$'000
<b>30 JUNE 2024 - COUNCIL</b>				
<b>Financial assets</b>				
Bonds, shares and other investments (PIF)	378,743	284,620	-	94,123
Shares in Civic Financial Services Ltd and the LGFA	805	-	805	-
Derivative financial instruments	3,269	-	3,269	-
<b>Financial liabilities</b>				
Derivative financial instruments	-	-	-	-
<b>30 JUNE 2023 - COUNCIL</b>				
<b>Financial assets</b>				
Bonds, shares and other investments (PIF)	350,781	256,611	-	94,170
Shares in Civic Financial Services Ltd and the LGFA	816	-	816	-
Derivative financial instruments	7,435	-	7,435	-
<b>Financial liabilities</b>				
Derivative financial instruments	34	-	34	-
<b>30 JUNE 2024 - GROUP</b>				
<b>Financial assets</b>				
Bonds, shares and other investments (PIF)	378,743	284,620	-	94,123
Shares in Civic Financial Services Ltd and the LGFA	805	-	805	-
Derivative financial instruments	3,269	-	3,269	-
<b>Financial liabilities</b>				
Derivative financial instruments	-	-	-	-
<b>30 JUNE 2023 - GROUP</b>				
<b>Financial assets</b>				
Bonds, shares and other investments (PIF)	350,781	256,611	-	94,170
Shares in Civic Financial Services Ltd and the LGFA	816	-	816	-
Derivative financial instruments	7,435	-	7,435	-
<b>Financial liabilities</b>				
Derivative financial instruments	34	-	34	-

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

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

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
<b>BALANCE AT 1 JULY</b>	<b>94,170</b>	<b>80,907</b>	<b>94,363</b>	<b>80,204</b>
Purchases	3,895	6,017	3,895	6,017
Sales	(5,512)	(1,679)	(5,512)	(1,679)
Transfers into level 3	-	8,925	-	9,821
Gains and losses recognised in the surplus or deficit	1,571	-	1,378	-
<b>BALANCE AT 30 JUNE</b>	<b>94,123</b>	<b>94,170</b>	<b>94,123</b>	<b>94,363</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### e) Reconciliation of movements in liabilities arising from financing activities

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

	COUNCIL		GROUP	
	2023/24 Debtures and other loans \$'000	2022/23 Debtures and other loans \$'000	2023/24 Debtures and other loans \$'000	2022/23 Debtures and other loans \$'000
<b>BALANCE AT 1 JULY</b>	<b>263,642</b>	<b>203,500</b>	<b>263,642</b>	<b>203,500</b>
Cash inflows	81,002	100,142	81,002	100,142
Cash outflows	(15,000)	(40,000)	(15,000)	(40,000)
Non-cash changes	-	-	-	-
<b>BALANCE AT 30 JUNE</b>	<b>329,644</b>	<b>263,642</b>	<b>329,644</b>	<b>263,642</b>

### f) Financial instrument risks

#### Cash flow interest rate risk

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

	COUNCIL AND GROUP	
	2023/24 Actual	2022/23 Actual
<b>Derivative financial instruments</b>		
Non-current asset portion	2,328	7,245
Non-current liability portion	-	(34)
<b>TOTAL DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>2,328</b>	<b>7,211</b>

#### Foreign exchange and equity price risk

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

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

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

	2023/24 \$'000				2022/23 \$'000			
	-100pbs		+100pbs		-100pbs		+100pbs	
	Surplus	Other Equity	Surplus	Other Equity	Surplus	Other Equity	Surplus	Other Equity
<b>PIF Investments</b>								
Foreign exchange risk	(9,004)	-	9,004	-	7,642	-	(7,642)	-
Equity price risk	(22,286)	-	22,286	-	(19,604)	-	19,604	-
<b>TOTAL SENSITIVITY</b>	<b>(31,290)</b>	<b>-</b>	<b>31,290</b>	<b>-</b>	<b>(11,962)</b>	<b>-</b>	<b>11,962</b>	<b>-</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

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

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.

### g) Financial instrument categories

The accounting policies for financial instruments have been applied to the following categories.

Financial Assets	Financial Liabilities
<b>FAIR VALUE THROUGH SURPLUS OR DEFICIT</b>	<b>FAIR VALUE THROUGH SURPLUS OR DEFICIT</b>
Interest rate swaps - refer notes 24(a), 24(d)	Interest rate swaps - refer notes 24(a), 24(d)
Local Government Funding Agency borrower notes	
Investment in Tasmanian Land Company Limited	
Bonds, shares and other investments (PIF) – refer note 14	
<b>AMORTISED COST</b>	<b>AMORTISED COST</b>
Cash and cash equivalents – refer note 16	Creditors and other payables – refer note 18
Debtors and other receivables – refer note 17	Borrowings – refer note 19
Other financial assets – refer note 14	- Debenture stock
- Term deposits	- Local Government Funding Agency
- Loan to Papa Rererangi i Puketapu Ltd	
- Community loans	
<b>FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>	
Other financial assets – refer note 14	
- Unlisted shares in Civic Financial Services Ltd and the LGFA	

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

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 25. RELATED PARTY TRANSACTIONS

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

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

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

Papa Rererangi i Puketapu Limited (PRIP) is a Council Controlled Trading Organisation. Council has made current and non-current loan facilities available to PRIP (refer to note 14).

Taranaki Arts Festival Trust (TAFT) is deemed to be a related party of the Council due to a councillor of New Plymouth District Council also serving as a trustee of TAFT. During the year, an amount of \$750,000 was advanced from Council to TAFT on 16 February 2024 under the Facilities Agreement approved by Council on 11 July 2023. A further sum of \$100,000 was advanced from Council to TAFT on 8 March 2024. Both amounts advanced were subject to interest of 4.22 per cent per annum. On 26 March 2024 TAFT repaid the advances to Council in full, including incurred interest of \$3,580.

No provision has been required, nor any expense recognised, for impairment of receivables for any loans or other receivables to related parties (2022/23: Nil).

Refer to note 7 for key management personnel disclosures.

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 26. CONTINGENT LIABILITIES AND ASSETS

#### Contingent liabilities

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

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

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

The Council has 235.9 hectares (2022/23: 235.9 hectares) of pre-1990 forest land determined under the Climate Change Response Act 2002 (CCR). Under the ETS, the Council will incur financial penalties should the land be deforested as defined by CCR. There were no trees harvested in 2023/24 (2022/23: 6.3 hectares harvested due to wind damage). There is a four year stand down period allowed between harvest and replanting. The Council intends to replant the area in native trees in line with Council's Planting our Place programme. It is anticipated that the ETS gained from the various Planting our Place programme will be sufficient to cover any potential ETS liability and therefore, the Council does not consider that it has a contingent liability in relation to this matter.

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

The Council is both a shareholder and guarantor of the LGFA, which was incorporated in December 2011 with the purpose of providing debt funding to local authorities across New Zealand.

Recently, LGFA's financial strength was reaffirmed with a domestic credit rating of 'AA+' from Fitch Ratings and 'AAA' from S&P Global Ratings, matching the credit rating of the New Zealand Government.

The Council is one of 30 local authority shareholders and 72 local authority guarantors of the LGFA. The aggregate amount of uncalled shareholder capital is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of LGFA's borrowings. This is based on the Council's rates as a proportion of the total rates for all guaranteeing local authorities. At 30 June 2024 LGFA had borrowings totalling \$23b (2022/23: \$17.7b).

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

#### *RiskPool*

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

A call for \$100,000 was made by the board of Civic Liability RiskPool during the year to 30 June 2019. Further calls may be required until the RiskPool Scheme is wound up. No call was made during the year to 30 June 2024 (2022/23: \$nil).

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### ***Event underwriting***

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

The cancellation of the 2022 WOMAD was funded by Central Government and no claims were made against the current agreement as at 30 June 2024.

### ***Weather events***

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

### ***Reasonable care***

Claim 1: It is claimed that Council has not exercised reasonable skill and care and is liable for costs to remediate construction defects and associated damage to a residential building. A Statement of Defence was filed on 1 September 2023. This matter is set down for a hearing in the High Court in November 2025.

Claim 2: District Court proceeding where it is claimed that Council did not exercise reasonable skill and care in issuing a building consent. Council is currently preparing its Statement of Claim.

### ***Resource consent***

Waiver of charges and reimbursement of allegedly unreasonable costs incurred was sought as part of processing a resource consent application relating to development of a site. Discussions continue with the developer with the intention of resolving the matter without formal proceedings. Settlement is expected by 30 June 2025.

### ***Construction defect***

It is claimed a Code Compliance Certificate should not have been issued on a commercial property.

### ***Environmental appeal***

The Council is involved in an Environmental Court proceeding involving a Site of Significance to Māori in its Proposed District Plan. Mediation is currently ongoing with this matter.

### ***Judicial review***

Judicial Review under the Resource Management Act 1991 has been heard in July 2024 and Council awaits the High Court decision.

There are no other known material contingent liabilities as at 30 June 2024 apart from those disclosed above (2022/23: nil).

### ***Contingent assets***

There are no known material contingent assets as at 30 June 2024 (2022/23: nil).

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 27. FINANCE INCOME AND FINANCE COSTS

	COUNCIL		GROUP	
	2023/24 Actual \$'000	2022/23 Actual \$'000	2023/24 Actual \$'000	2022/23 Actual \$'000
<b>Finance income</b>				
Interest income - term deposits	3,157	2,004	3,256	2,097
Interest income - related party loans	783	631	118	7
<b>Total finance income</b>	<b>3,940</b>	<b>2,635</b>	<b>3,374</b>	<b>2,104</b>
Interest on bank borrowing (note 19)	(11,591)	(9,668)	(11,592)	(9,669)
IRD use of money	3	(3)	3	(3)
<b>Total finance costs</b>	<b>(11,588)</b>	<b>(9,671)</b>	<b>(11,589)</b>	<b>(9,672)</b>
<b>NET FINANCE COSTS</b>	<b>(7,648)</b>	<b>(7,036)</b>	<b>(8,215)</b>	<b>(7,568)</b>

# Notes to the Financial Statements

## Ngā tuhituhi ki ngā Tauāki Pūtea

### 28. EVENTS OCCURRING AFTER THE BALANCE DATE

#### *Three Waters Reform*

The water services legislation (namely the Water Services Entities Act 2022, the Water Services Legislation Act 2023 and the Water Services Economic Efficiency and Consumer Protection Act 2023), was repealed on 17 February 2024. The Government has recently enacted the Local Government (Water Services Preliminary Arrangements) Act 2024. The new legislation requires Council to deliver a Water Services Delivery Plan (WSDP) to the Secretary for Local Government by 3 September 2025. The plan must include the anticipated or proposed model or arrangements and implementation plan for delivering water services. Council will not know what the model or arrangements are likely to be until the WSDP is approved by the Secretary. The new legislation has not had an impact on the 30 June 2024 financial statements or performance information.

# Funding Impact Statement

## Ngā tuhituhi ki ngā Tauāki Pūtea

### NEW PLYMOUTH DISTRICT COUNCIL

### FUNDING IMPACT STATEMENT FOR WHOLE OF COUNCIL

for the year ended 30 June 2024

	Annual Plan 2022/23 \$'000	Annual Report 2022/23 \$'000	Annual Plan 2023/24 \$'000	Actual 2023/24 \$'000
<b>Sources of operating funding</b>				
General rates, uniform annual charges, rates penalties	76,250	76,257	87,160	85,302
Targeted rates	41,190	41,306	45,180	46,953
Subsidies and grants for operating purposes	8,040	8,327	7,400	7,790
Fees and charges	31,680	28,092	35,230	31,534
Internal charges and overheads recovered	-	-	-	-
Interest and dividends from investments	13,370	15,978	16,110	18,648
Local authorities fuel tax, fines, infringement fees, and other receipts	1,350	1,315	1,380	1,548
<b>Total operating funding (A)</b>	<b>171,880</b>	<b>171,275</b>	<b>192,460</b>	<b>191,775</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	147,430	154,624	161,800	163,072
Finance costs	6,870	9,671	11,320	11,588
Internal charges and overheads applied	(4,850)	-	(7,010)	-
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>149,450</b>	<b>164,295</b>	<b>166,110</b>	<b>174,660</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>	<b>22,430</b>	<b>6,980</b>	<b>26,350</b>	<b>17,115</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	17,700	17,494	54,520	23,646
Development and financial contributions	3,080	3,045	3,190	1,438
Increase in debt	47,200	60,824	26,570	65,935
Gross proceeds from sale of assets	7,560	1,144	8,630	185
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>75,540</b>	<b>82,507</b>	<b>92,910</b>	<b>91,204</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	9,630	9,041	17,300	12,930
- to improve the level of service	40,110	39,729	68,590	57,849
- to replace existing assets	44,660	36,781	49,130	34,584
Increase/(decrease) in reserves	3,370	(8,743)	(15,850)	(17,814)
Increase/(decrease) of investments	200	12,679	90	20,770
<b>Total applications of capital funding (D)</b>	<b>97,970</b>	<b>89,487</b>	<b>119,260</b>	<b>108,319</b>
<b>Surplus/(deficit) of capital funding (C - D)</b>	<b>(22,430)</b>	<b>(6,980)</b>	<b>(26,350)</b>	<b>(17,115)</b>
<b>FUNDING BALANCE (A - B) + (C - D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Other information to be provided

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

<b>Depreciation and amortisation expense</b>				
Depreciation expense	45,050	51,221	49,530	52,046
less deferred/unfunded	(22,920)	(29,530)	(29,370)	(30,855)
<b>Net funding transferred to renewals reserves</b>	<b>22,130</b>	<b>21,691</b>	<b>20,160</b>	<b>21,191</b>

# Disclosure Statement

## Tauāki Whawhāki

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

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

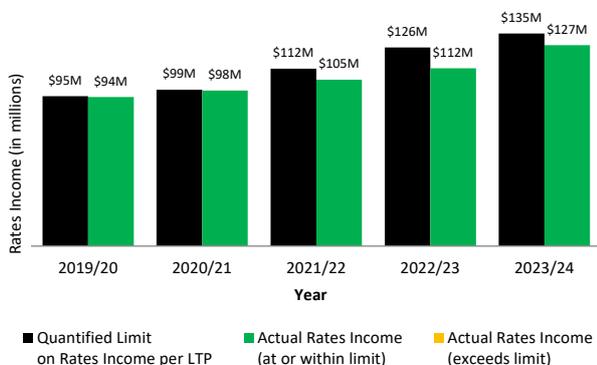
### Rates affordability benchmark

The Council meets the rates affordability benchmark if:

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

### Rates income benchmark

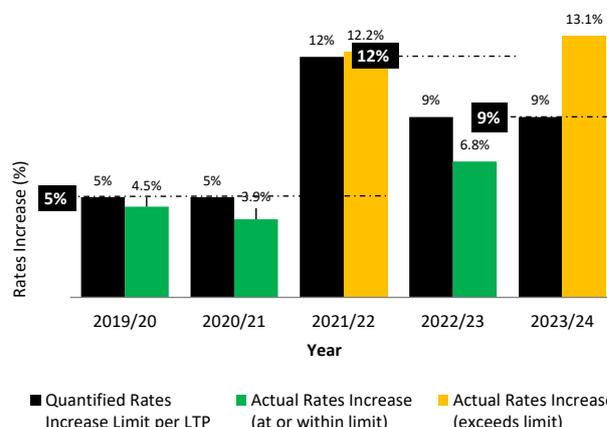
The following graph compares Council's actual rates income in actual dollars with the quantified limit on rates contained in the Financial Strategy included in the Council's Long-Term Plans (LTP).



### Rates increases benchmark

The following graph compares the Council's actual rates increases (excluding targeted rates) with a quantified limit on rates increases contained in the Financial Strategy included in the Council's LTP. The quantified limit for 2019/20 and 2020/21 is that the rates increases will not exceed the five per cent limit set in the LTP 2018-2028. For 2021/22 it must not exceed 12 per cent and for 2022/23 and 2023/24 it must not exceed the nine per cent limit set in the LTP 2021-2031.

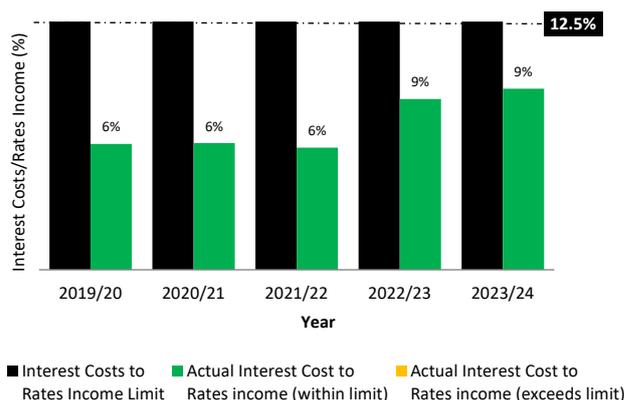
In 2021/22 Council's actual rates were marginally above the limit by 0.2 per cent. In 2023/24 rates, rates were reset in the Annual Plan to 12.9 per cent to account for the cost increases post covid pandemic and higher inflationary due to challenging global economic factors, however, the increase was slightly above planned by 0.2 per cent.



### Debt affordability benchmark

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

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



# Disclosure Statement

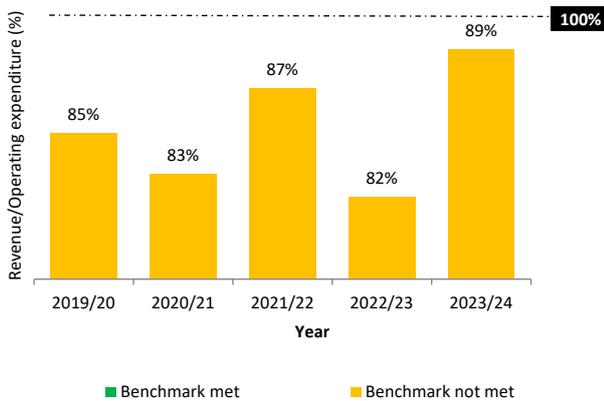
## Tauāki Whawhāki

### Balanced budget benchmark

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

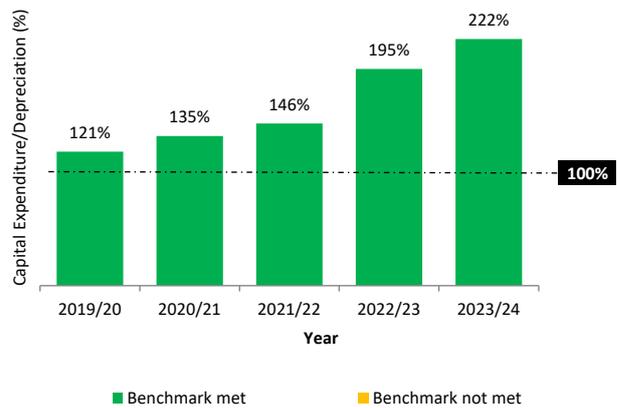
The introduction of the Waitara Lands Act in 2018/19 required the recognition of the net income from the section sales as a liability to be distributed, increasing Council's Operating expenses and significantly impacting the Balanced Budget benchmark during the initial three years of implementation, when a high number of lease land parcels was sold.

Since 2021, inflation and asset revaluations have led to heightened asset depreciation on long-life assets, further impacting the benchmark. This increase, however, was not funded by rate payers, resulting in escalated costs without a corresponding rise in revenue.



### Essential services benchmark

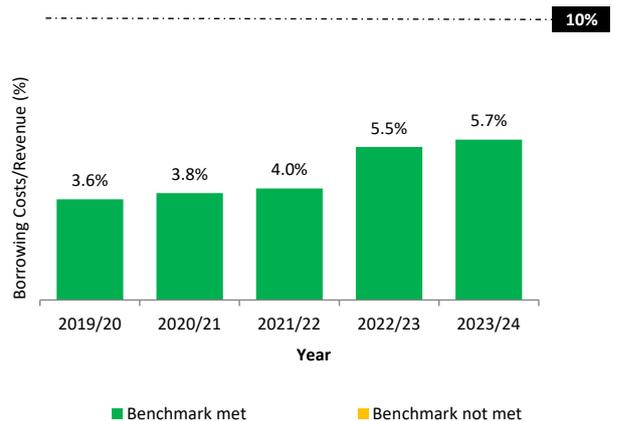
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services is greater than depreciation on network services.



### Debt servicing benchmark

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

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

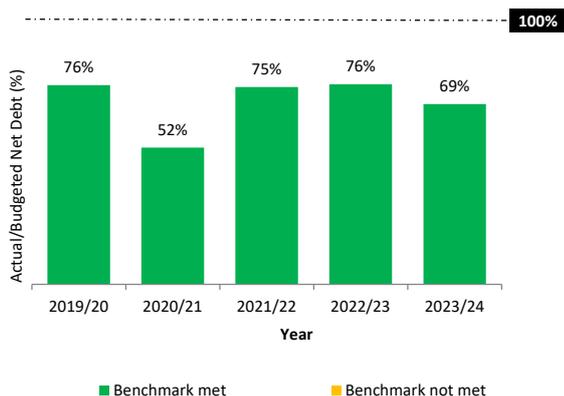


# Disclosure Statement

## Tauāki Whawhāki

### Debt control benchmark

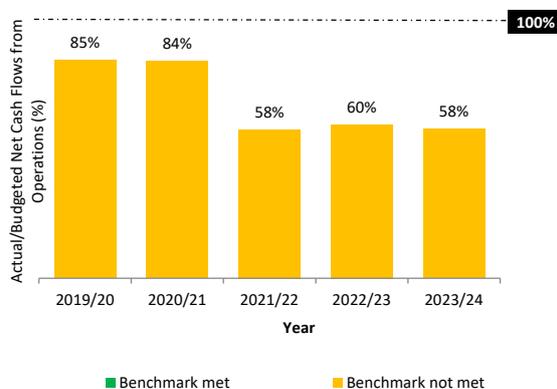
The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). The Council meets the debt control benchmark if its actual net debt equals or is less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



### Operations control benchmark

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

On the occasions where the benchmark was not met in 2019/20 and 2020/21, this was primarily due to fluctuations in investment income and the recognition of the Waitara Lands Act distributions. The further decline in 2021/22 was due to the timing of budgeting and receipting of government grants, whilst in 2022/23, increased material costs for maintenance combined with costs of assets vested to other entities has kept the result at a lower level when compared to prior years.





# Council Controlled Organisations

## Ngā Tōpūtanga Mā Te Kaunihera e Whakahaere

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

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



# Forestry Joint Ventures

## Nature and scope of activity

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

Forest plantations have been established under the following agreements:

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

A total of 106.2 hectares are managed under the joint venture agreements. The landowners of each joint venture provide land and property related inputs. The Council provides management and tending programmes for the crop. Both parties share the returns from the forest harvest on an agreed ration of respective inputs.

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

## Key performance results for 2023/24

### Silviculture and harvesting

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

*Assessment: The regime set out in the joint venture agreement was fully completed historically. Aside from inspection and general maintenance, no further work has been required subsequent to this. All programmes outlined in the Forest Management Plan for 2023/24 have been completed.*

2. Report annually in compliance with agreements.

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

### Financial Performance

	Actual 2023/24 (\$m)	Budget 2023/24 (\$m)	Projected 2024/25 (\$m)	Projected 2025/26 (\$m)
Operating expenditure (NPDC funded)	18	16	8	-

## Significant policies and objectives on ownership and control

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

# New Plymouth PIF Guardians Limited

## Nature and scope of activity

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

## Key performance results for 2023/24

### Operational performance

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

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

*Assessment: Actual return net of costs was 11.1 per cent for the 12-month period to 30 June 2024. The total return of the portfolio for the past five years is 8.6 per cent per annum which is one per cent above the rolling five-year target.*

*In nominal terms, the 11.1 per cent after fees fund return represented a strong return for the portfolio over the last 12 months. The returns were driven predominantly by the growth areas of the portfolio, namely overseas shares and emerging markets. These shares recorded an impressive 21 per cent return over the year.*

*The strong nominal investment returns were well in excess of inflation over the year. Although inflation remained above the Reserve Bank's targeted range, it is pleasing that for the five years to June 2024, the Fund has achieved an annualised inflation-adjusted return that is one per cent above its targeted return of CPI +3.3 per cent.*

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

- a) Listed Securities (equities/fixed income/cash) comprising \$218.9m.

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

*Assessment: The total gross return on Listed Securities for the 12-month period to 30 June 2024 was 16.8 per cent which was 1.4 per cent better than the benchmark of 15.4 per cent.*

- b) Unlisted Securities (private equity/alternative assets) comprising \$155.5m.

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

*Assessment: The return for the 12-month period to 30 June 2024 from private equity and alternative assets was 7.2 per cent.*

3. Reporting target

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

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

# New Plymouth PIF Guardians Limited

## 4. Timely response target

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

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

## Financial Performance

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

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

	Actual 2023/24 (\$m)	Budget 2023/24 (\$m)	Projected 2024/25 (\$m)	Projected 2025/26 (\$m)
Operating revenue/expenditure	277	288	288	288
<b>Net profit</b>	-	-	-	-

## Fund Performance

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

*Release payments were slightly higher than budget due to inflation, which is implied in the release calculation, and which was higher than expected in the prior year.*

*The 2023/24 performance of the fund was better than budget, driven predominantly by the growth areas of the portfolio, namely overseas share and emerging markets. These shares recorded an impressive 21 per cent return over the year.*

	Actual 2023/24 (\$m)	Budget 2023/24 (\$m)	Projected 2024/25 (\$m)	Projected 2025/26 (\$m)
Release payment	11.7	11.4	11.8	12.0
<b>Closing balance of the fund</b>	<b>378.7</b>	<b>352.6</b>	<b>260.6</b>	<b>368.8</b>

## Significant policies and objectives on ownership and control

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

# Papa Rererangi i Puketapu Limited

## Nature and scope of activity

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

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

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

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

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

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

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

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

## Key performance results for 2023/24

### Operational performance

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

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

2. Meeting all the operating, maintenance, capital expenditure and interest costs from Airport revenue (including recovery of the aeronautical portion through landing charges).

*Assessment: Passenger numbers have remain static with 2023 numbers and not increased to forecasted levels as the cost of living crisis impacted on the return of passenger numbers back towards pre-covid numbers. All operating costs associated with the day-to-day management of the Airport have been met from Airport revenue. Loans have been made available from NPDC to assist with capital expenditure have been taken up in the 2024 financial year and interest is being fully serviced from Airport revenue.*

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

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

# Papa Rererangi i Puketapu Limited

## Financial Performance

	Actual 2023/24 (\$m)	Budget 2023/24 (\$m)	Projected 2024/25 (\$m)	Projected 2025/26 (\$m)
Operating revenue	9,401	9,345	9,772	12,179
Operating expenditure	(4,329)	(3,684)	(4,231)	(4,345)
Depreciation, interest and tax	(8,246)	(3,401)	(4,380)	(5,829)
<b>Net profit/(loss) before tax</b>	<b>(3,174)</b>	<b>2,263</b>	<b>1,161</b>	<b>2,005</b>

*Revenue assessment: The build up to return to pre-Covid passenger numbers has slowed due to the cost of living crisis. Travellers discretionary income has reduced which has negatively impacted on the number of people willing and able to travel. Passenger numbers were budgeted at 420,000 but actuals were 399,753.*

*The major revenue streams, landing charges, car parking and rental revenues all were marginally higher as a result of small pricing increases passed on to the consumer. Revenue was \$9,400,812 which was an increase of 0.6% on a forecast of \$9,345,000.*

*Expenses assessment: Operational expenses were over budget circa \$648,000. Increased maintenance work completed was a contributing factor and also across the board inflationary cost rises in other operating expenditure.*

## Significant policies and objectives on ownership and control

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

# Venture Taranaki Trust

## Nature and scope of activity

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

Venture Taranaki's objectives are to:

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

## Key performance results for 2023/24

### Operational performance

Activity	Measure	Target		Outcomes 2023/24
Promoting investment in Taranaki	Undertaking initiatives to support investment into Taranaki	Number of initiatives to support investment into Taranaki	5	Achieved. 10 attraction opportunities identified and supported.
Regional monitoring	Undertaking environmental scans and regional economic monitoring	Number of regional monitoring updates released	4	Achieved. Five updates released, including 2 x Taranaki Trends, 2 x Business Survey and Export and Import Map Research.
Enterprise support and enablement	Enterprise Connection and Signposting	Number of referrals and connections made by Venture Taranaki staff	200	Achieved. 763 referrals recorded.
	Innovation and research and development support	The level of annual investment in regional businesses (subject to government policy)	\$1m	Not achieved. \$394,012. <sup>1</sup>
	Building capacity	The level of annual investment in the management capability of Taranaki's small and medium sized businesses	\$240k	Achieved. \$311,859.
	Client satisfaction	The annual percentage of clients satisfied with Venture Taranaki business support services	>85%	Achieved. 98%.

<sup>1</sup> This KPI is based on Research & Development (R&D) funding offered by Callaghan Innovation, however the availability of funding has been significantly reduced this year as large grants have been replaced by the Research & Development Tax Incentive (RDTI). It is noted that the KPI is subject to government policy.

# Venture Taranaki Trust

Activity	Measure	Target		Outcomes 2023/24
Promoting Taranaki as a great place to live, learn, create and play	Administer the Major Events Fund	Number of major events funded in accordance with the criteria of NPDC's Major Events Fund	4	Achieved. 33 events (meeting NPDC criteria) attracted or retained.
	Destination Promotion	Number of engagements with visitor industry operators (including local operators, other regional tour operators, national and international tourism agencies)	1,000	Achieved. 1,580 visitor industry engagements recorded.
	Facilitate talent attraction and retention	Number of talent initiatives	2	Achieved. 13 talent initiatives delivered.

## Financial Performance

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

	Actual 2023/24 (\$m)	Budget 2023/24 (\$m)	Projected 2024/25 (\$m)	Projected 2025/26 (\$m)
Operating expenditure (NPDC funded)	6.2	6.2	4.5	4.8

## Significant policies and objectives on ownership and control

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

# Auditor's Report

## Pūrongo Kaiarotake Pūtea



### Independent Auditor's Report

#### To the readers of New Plymouth District Council's annual report for the year ended 30 June 2024

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

We are also required to report on:

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

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

We completed our work on 16 December 2024. This is the date on which we give our report.

#### Opinion on the audited information

##### *Unmodified opinion on the audited information, excluding the Council Services statement*

In our opinion:

- the financial statements on pages 73 to 145:
  - present fairly, in all material respects:
    - the District Council and Group's financial position as at 30 June 2024;
    - the results of the operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 146, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the statement about capital expenditure for each group of activities on pages 17 to 72, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan and annual plan; and
- the funding impact statement for each group of activities on pages 17 to 72, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

##### *Qualified opinion on the Council Services statement*

In our opinion, except for the possible effects of the matter described in the "Basis for our opinion on the audited information" section of our report, the Council Services statement on pages 17 to 72:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2024, including:
  - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
  - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand.

# Auditor's Report

## Pūrongo Kaiarotake Pūtea

### Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 147 to 149, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council's long-term plan and annual plans.

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

### Basis for our opinion on the audited information

*Council Services statement: Our work was limited with respect to the performance measure on the percentage of non-notified resource management consents processed within statutory timeframes*

An important part of the District Council's service performance is the percentage of resource management consent applications processed in accordance with statutory timeframes.

Our audit testing of a sample of non-notified resource management consents identified issues with the recorded processing times not agreeing to underlying consent information. This matter is described on page 25 of the annual report.

Due to the extent of the differences we identified, we are unable to determine whether the District Council's reported result for this measure is materially correct.

As a result, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported result for this performance measure for the year ended 30 June 2024.

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

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

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

### Responsibilities of the Council for the audited information

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

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

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

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

### Responsibilities of the auditor for the audited information

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

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

# Auditor's Report

## Pūrongo Kaiarotake Pūtea

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

### Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 16 but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

# Auditor's Report

## Pūrongo Kaiarotake Pūtea

### Independence

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

In addition to our audit and our report on the disclosure requirements we have performed an audit of the District Council's Long-Term Plan 2024-34 and a limited assurance engagement related to the District Council's debenture trust deed. These engagements are compatible with those independence requirements.

Other than these engagements, we have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.



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

# Statement of Compliance and Responsibility

## Te Tauāki Tūtohu me Takohanga

The Council and management of New Plymouth District Council confirm that all statutory requirements of the Local Government Act 2002 in relation to the Annual Report have been complied with.

### Responsibility

The Council and management of New Plymouth District Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.

The Council and management of New Plymouth District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and the management of New Plymouth District Council, the annual financial statements for the year ended 30 June 2024 fairly reflect the financial position, operations and service performance of New Plymouth District Council.



Neil Holdom  
Mayor



Gareth Green  
Chief Executive





Contact NPDC

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

More information:



[npdc.govt.nz](http://npdc.govt.nz)



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



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