

SUMMARY



**ANNUAL
REPORT**

2020/21



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



BUILDING A LIFESTYLE CAPITAL

He Whakatūtū Haupū Rawa Hei Āhua Noho



Welcome to NPDC's Annual Report 2020/21 Summary

This summary is a snapshot of our activities, from asset management to council performance, during the 12 months from 1 July 2020 to 30 June 2021. More detailed information is in our Annual Report 2020/21, including NPDC's financial health at the end of the financial year.

The information included in this summary has been taken from the audited Annual Report 2020/2021 which was adopted by the Council on 21 December 2021. The Annual Report Summary does not provide as complete an understanding as the full Annual Report.

For more detailed information covering all of NPDC's activities please refer to the full Annual Report. Copies of the full Annual Report are available on request (phone 06-759 6060) for a copy to be sent out to you or you can view it on the Council website www.npdc.govt.nz.

Contents

Message from the Mayor and Chief Executive	2
Our Strategic Framework.....	3
Covid-19 'Getting Us Back On Our Feet' stimulus	4
Our year in review	6
Focusing on performance	8
Financial summary.....	13
Auditor's Report.....	21

Mayor and Chief Executive's Message

As we write this our District, like the rest of Aotearoa, has been pushed back into lockdown with the arrival of the Delta strain of Covid-19.

Once again this period reinforces the uncertain times we face as we collectively work together to Build a Sustainable Lifestyle Capital in the face of a global pandemic.

At NPDC, we worked hard to overcome the challenges of last year's pandemic lockdown, putting together a \$20 million Getting Us Back On Our Feet stimulus package to help kick-start the local economy. With a forecast deficit of \$5.4m, we tightened our belts, were prudent with our spending and finished the financial year with a \$750,000 general rates surplus as the post-Covid economy rebounded. So today, while we continue to face the uncertainty of future lockdowns, we can look back and know the work we put in over the past 12 months leaves us well positioned to move forward and face the challenges ahead.



At the forefront was the work we did on our Long-Term Plan, setting out a \$3 billion work programme to tackle those changes head-on. Almost 5,000 people took the time to share their views on our plan to *Fix the Plumbing*, including investing \$248m on upgrading the three waters network and introducing water meters for every home.

We will implement our plan to *Green our Place*, which covers extending the Coastal Walkway from Bell Block inland to Waitara, as well as planting 34 hectares of urban forest over the next 20 years and investing in greener vehicles.

Finally we look to *Pay it Forward* for our children and grandchildren, through a \$40m investment to help Sport Taranaki develop a multi-purpose sport and recreation hub.

Our Perpetual Investment Fund bounced back from the first effects of Covid to grow to more than \$330m. This fund offsets your rates by around \$9m each year and we were pleased the independent, international rating agency S&P Global gave NPDC a long-term rating of AA+, the highest possible rating for local government in New Zealand, reflecting our prudent financial management.

One of more significant achievements in the last year has been the establishment of a Māori ward for the New Plymouth District ahead of the 2022 and 2025 elections. We were also involved in successfully lobbying for a law change for Maori wards.

These achievements were on top of all the usual work as we oversee and manage an organisation with just over \$3b worth of assets. This includes looking after 1,600 hectares of parks and open spaces, running Puke Ariki, and the Govett-Brewster Art Gallery, a zoo, sports stadiums, a theatre/events centre and amazing events like the TSB Festival of Lights. Our Summer at the Bowl season was also a fantastic success with 60,000 people rocking up to enjoy highly successful concerts, such as L.A.B and Six60.

In this time of global disruption we were pleased to be able to allocate \$1.9m to underwrite the iconic WOMAD festival. This will ensure the Taranaki Arts Festival Trust can run the 2022 festival at its NZ home in the Bowl of Brooklands. We also signed a five-year hosting agreement with WOMAD's parent company in the UK to enable this magical and popular event to be retained in Taranaki for the foreseeable future.

This continued work, along with the ongoing and outstanding contribution from our community over the past year gives us confidence we are well set for our future and on track with our goals for our Sustainable Lifestyle Capital in the years ahead.

Ngā mihi nui

Handwritten signature of Neil Holdom in black ink.

Neil Holdom
New Plymouth District Mayor

Handwritten signature of Craig Stevenson in black ink.

Craig Stevenson
NPDC Chief Executive

OUR STRATEGIC FRAMEWORK | BUILDING A LIFESTYLE CAPITAL

He Whakatūtū Haupū Rawa Hei Āhua Noho



People
He Tangata

Putting people first
Aroha ki te Tangata



Place
Tiakina

Caring for our place
Manaaki whenua, manaaki tangata, haere whakamua



Prosperity
Āwhina

Supporting a prosperous community
Awahi mai, Awahi atu, tātou katoa

30 -Year District Blueprint **Key Directions** *Ngā Aronga Matua*



COMMUNITIES
Ngā Hapori Whānui



ENVIRONMENT
Te Taiao



GROWTH
Te Whakatipuranga



TALENT
He Tangata Pūmanawa



CITIZENS
Ngā Kirirarau



DESTINATION
Te Wāhi Mutunga



CENTRAL CITY
Te Pokapū Tāone



INDUSTRY
Te Rāngai Ahumahi

'Getting Us Back On Our Feet' stimulus

The Council established a Covid-19 and Economic Development Reserve to fund the initiatives shown below. As at 30 June 2021 \$2.5m has been transferred from this reserve to fund the 'Getting Us Back On Our Feet' stimulus across Council activities, including fee reductions (\$1.3m), community funding (\$0.5m), one hour free parking (\$0.3m) and expenses recovered (\$0.3m).

Business fee reductions

From the categories listed below, a total of 3,011 business fee reductions were applied for, totalling \$1.3m.

Fee reduction category	Number of fee reductions	Value of fee reductions \$
Building consents	1,778	1,085,691
Resource consents	605	160,232
Environmental health and hospitality	581	73,609
Temporary use licence fees	47	10,073
Development contributions payment deferments	-	-
Total	3,011	1,329,605

The Ngā Whare Ora Taiao o Ngāmotu Scheme

The Ngā Whare Ora Taiao o Ngāmotu (New Plymouth Sustainable Homes) Scheme provided support to homeowners to undertake a range of sustainability improvements to their homes and repay the costs through a voluntary targeted rate (VTR). In 2020/21, a total of 904 VTRs were approved totalling \$5.8m. There are now 63 businesses signed up to the VTR Scheme.

	2019/20 Quantity Approved	2020/21 Quantity Approved	2020/21 Approved \$
Expansion of the VTR Scheme	-	727	5,142,563
Existing VTR Scheme	78	177	616,509
Total	78	904	5,759,072

Rates remissions

The Council provided greater flexibility in paying rates. As at 30 June 2021 all deferments have been paid. Over the year, 29 applications were received for rates remissions, six deferment applications were approved and 23 applications were either on a payment plan or rates have since been paid.



Additional community funding

The Council extended strategic partnerships funding and an extra \$300,000 made available for other community groups to apply for. A total of 56 applications were made for \$1.1m for this additional amount. Strategic partnership funding of \$153,000 was extended for 2020/21.

All available funding, totalling \$453,000 was distributed among 33 community groups.

The Earthquake-prone Buildings and Main Streets Package

This package was aimed at supporting our district's central business districts (CBDs), through pausing some earthquake-prone building work, providing additional CBD enhancement funds and working with building owners. As at 30 June 2021 no applications were received for earthquake-prone buildings. However, funding through the main streets package was approved for 28 buildings in New Plymouth, Inglewood and Waitara.

One-hour free parking

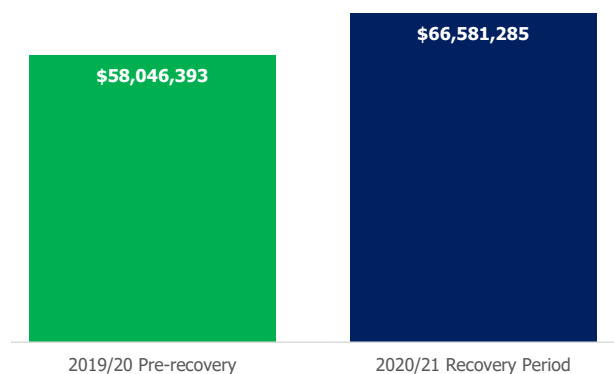
The Council approved one-hour free parking Monday to Saturday in all metered parking areas from 1 July to 30 September 2020. Median occupancy during that time was 59.1 per cent (compared to 53.5 per cent for the same period last year).

The Procurement Recovery Plan (Covid-19)

This plan was developed to favour local suppliers and provide greater flexibility. Data shows that the local procurement initiatives adopted in the Recovery Plan had a significant increase in the Council's spend with local businesses.

The figures represent a 14 per cent increase (\$8,534,892) over the financial year. Key efficiencies from the Procurement Recovery Plan have been identified and adopted by the Council on 1 July 2021. The Council's Procurement Team continue to identify opportunities to support the local supply chain.

Procurement Recovery Local Spend



Our year in review

The 2020/21 year was the third year of our Long-Term Plan (LTP) 2018-2028.

The LTP prioritised **People, Place and Prosperity** as our community outcomes. The Council achieved numerous successes towards People, Place and Prosperity during that time.

- **Covid-19.** The flow on effects of Covid-19 continued to impact on Council services. Moves to Alert Level 2 through the year had implications for a number of services with border closures and supply chain disruptions impacted across the Council.
- **Sound financial management.** The independent global rating agency Standard and Poor's confirmed NPDC's credit rating had been upgraded from AA to AA+, reflecting its sound financial management.
- **Manaaki Urupā grants.** A Manaaki Urupā Grants Scheme was adopted to help cover urupā maintenance costs.
- **Citizens Awards.** The Council honoured 11 local legends in the annual Citizens Awards.
- **HMNZS Aotearoa.** In April 2021, the Council hosted several civic functions to commemorate the inaugural visit of HMNZS Aotearoa to her home port (New Plymouth).
- **Building consents.** The Council's building consents process moved online on 22 October 2020 allowing applicants to apply, pay and track their applications online from start to finish.
- **Downtown Carpark.** This carpark was closed on 19 December 2020 due to an earthquake risk assessment.
- **Coastal Walkway.** The Wind Wand pier got its first major repairs in 20 years. The Te Rewa Rewa bridge underwent a trial makeover to test products to better withstand the elements.
- **Pukekura Park desilting.** The desilting works for Pukekura Park lakes was completed in November 2020.
- **Summer at the Bowl series.** Three months of major events starting with L.A.B in January attracting 12,000 people, Synphony, Six60 and Crowded House followed.
- **WOMAD.** The Council secured a five year host city deal and agreed to a \$2m underwrite to keep WOMAD at Brooklands Park. Unfortunately WOMAD was not held in 2021 due to the impacts of Covid-19.
- **The Junction Zero waste hub.** The hub marks its first birthday after a year with about 13,000 visitors and 34,000 items sold.
- **Thermal Drying Facility.** The Council received a \$37m grant from the government to replace the Thermal Drying Facility.
- **Wastewater Treatment Plant.** Work began to remove sludge from the lagoon.
- **Inglewood's drinking water.** Main trunk main completed and continuing to renew pipes within the township.
- **Carbon footprint.** The Council's carbon footprint has halved over the past 15 years through implementation energy saving measures.
- **Consultation on LTP 2021-2031.** Our consultation on our LTP 2021-2031 saw the largest ever response with 4,563 submissions.



Our year in review

Working together with Māori

We acknowledge as tangata whenua those hapū and iwi, who by ahikā (unbroken occupation), exercise mana whenua (protection, care and sustainable management of culturally important natural and physical resources) within the New Plymouth District.

Te Huinga Taumatua continued as a joint committee for mana whenua input into Council decision-making.

The Council consulted hapū and iwi for the purpose of the Resource Management Act 1991, and where there was mutual agreement between the Council, hapū and iwi exercised mana whenua. The Council acknowledges that specific iwi, hapū and whānau have historical and spiritual ties to sites and areas of cultural significance within Council's boundaries.

Making a unique and valued contribution to the district, the Council continued to recognise the importance of providing opportunities for Māori to contribute to our decision-making processes.

Acknowledging their response and contribution during the initial Covid-19 response, iwi are now represented at all levels of the Civil Defence Emergency Management governance structure at both district and regional levels in Taranaki – a national first.

The eight iwi of Taranaki also sit on the Regional Leadership Team, which provides governance for the ongoing Council-led Covid-19 recovery response. With the development in 2020 of the Ngā Iwi o Taranaki Covid-19 Recovery Plan, together with the Taranaki 2050 and Tapuae Roa strategies, iwi are leading the achievement of key priorities, with the Council providing support.

The Council resolved in 2020 to establish a Māori Ward within the district ahead of the 2022 and 2025 triennial elections. We were involved in successfully lobbying for a law change for Maori wards and the Minister of Local Government announced the law change in February 2021 in the Council Chamber.



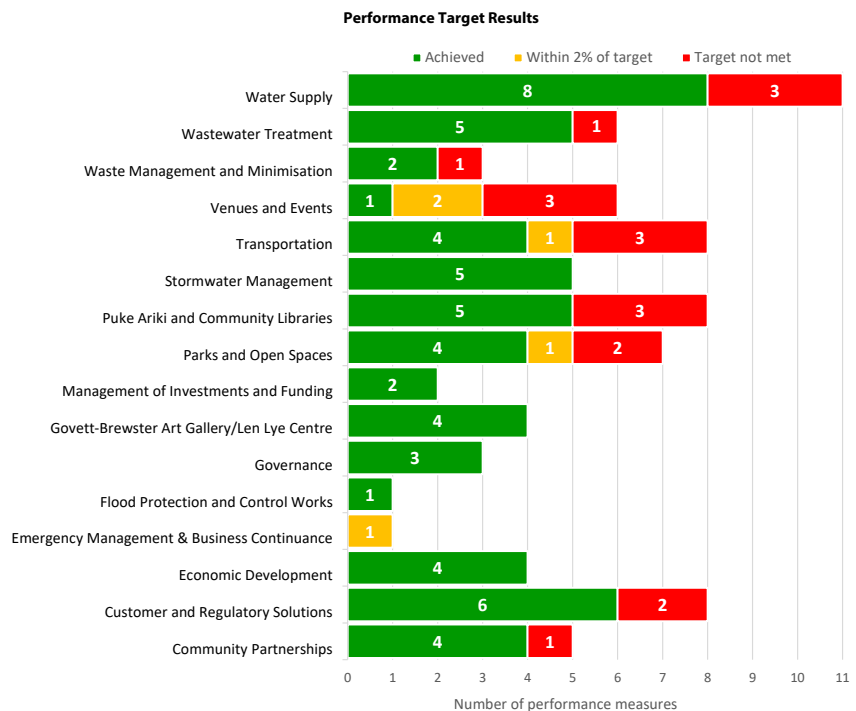
Focusing on performance

The Council's 16 activities each have a variety of performance measures to ensure we deliver our services to an excellent level. These measures are assessed from a variety of sources, including internal data and an independent survey of residents.



Of the 82 measures that we use to track performance, the summary graph below shows that:

- We have achieved the target for 58 measures.
- We have substantially achieved the target for five measures.
- We have not achieved the target for 19 measures.



Summarising our performance

This section provides a summary of our performance against these measures. For a detailed list of all the Council's performance measures please refer to the full Annual Report.



Community Partnerships



We exceeded our targets for the percentage of residents satisfied with the Council's assistance and support to community groups, the percentage of housing for the elderly tenants satisfied with this service and the percentage of partners satisfied with the Council's advice and involvement in community initiatives.

We met our target to provide three initiatives with 'start-up' financial support.

We did not meet our 95 per cent target for the percentage of performance indicators achieved by grant recipients (83 per cent achieved). This is because some community organisations were prevented from delivering their usual services due to Covid-19 disruptions.

Focusing on performance



Customer and Regulatory Solutions



We achieved our 100 per cent targets to respond to animal control emergency situations within two hours and to inspect all businesses required to be licensed. We met our target of known dogs registered (95 per cent target) and met our target for formal complaints to receive an interim reply or be resolved within five days (90 per cent). We met our 100 per cent target of official information requests being completed within the statutory timeframe.

We exceeded our target of residents satisfied with animal control activities (actual 90 per cent, target 76 per cent).

We did not meet our 100 per cent targeted percentage of building applications processed within statutory frameworks (94 per cent), and percentage of non-notified resource consents processed within statutory timeframes (96 per cent).

Resource consents are currently being assessed against the Operative and Proposed District Plans which has added complexity into the resource consent process. Staffing levels within the planning team have been addressed that will enable us to achieve the consent application targets.



Economic Development



We significantly exceeded our measures across economic development. We attracted or retained 16 events for the year (target four), the level of annual investment attracted for regional business was \$5.6m (target \$1m, and almost triple the previous year's performance), the annual level of investment in the management capability of Taranaki's small and medium businesses was just under \$358,000 (target \$240,000) and 93 per cent of clients were satisfied with Venture Taranaki's business support services (target >85 per cent).



Emergency Management and Business Continuance



The target for up-to-date emergency processes and plans was not met. In June 2021 resources were engaged to lead the development of a business continuity programme.



Flood Protection and Control Works



We maintained our major flood protection and control works.



Governance



We ensured full compliance with the Local Electoral Act provisions for the Inglewood Community Board by-election. We achieved full compliance with statutory requirements for the long-term plan, annual report and availability of meeting agendas.

Focusing on performance



Govett-Brewster Art Gallery/Len Lye Centre



The number of visitor entries at the Gallery was 60,748, exceeding our revised target of 50,000 (revised in light of Covid-19 border closures). We have met our target of the percentage of residents satisfied with the service (73 per cent compared with a target of 70 per cent).

We exceeded our target of number of exhibitions on offer with 14 exhibitions (target seven). Eighty-seven per cent of customers were satisfied with their overall experience at the Gallery (compared with a target of 82 per cent).



Management of Investments and Funding



We met our target for the annual return from the Perpetual Investment Fund and complied with debt level policy limits.



Parks and Open Spaces



We continue to have high satisfaction of Brooklands Zoo visitors with 100 per cent of visitors surveyed being satisfied with the zoo (compared with our target of 90 per cent) and the quality of parks and reserves in the district (actual 97 per cent, target 95 per cent). Community satisfaction with the quality of public toilets in the district was 82 per cent (target 80 per cent).

We did not meet our targets for community satisfaction with the quality of the district's urban landscapes and streets (actual 91 per cent, target 95 per cent), and the percentage of residents satisfied with the quality of the district's sports parks (actual 89 per cent, target 95 per cent). We were also slightly below our target for community satisfaction with the quality of the districts playgrounds (actual 93 per cent, target 95 per cent).

We exceeded our target of households in the district that are within 500 metres of a park, reserve or neighbourhood open space (actual 84 per cent, target of 71 per cent).



Puke Ariki and Community Libraries



The annual number of library items loaned was 854,074 compared with a target of 795,000. We exceeded our measure of numbers attending education programmes at Puke Ariki and the community libraries with 40,829 participants (target 29,000). Programmed learning opportunities conducted throughout Puke Ariki, the Taranaki Research Centre, Discover it! and community libraries exceeded our target with 1,728 opportunities (target 1,200). Satisfaction with in-house programmes was 96 per cent (target 95 per cent) and 100 per cent of customers were satisfied with the i-SITE visitor information centre.

However, library membership was below target at 22,050 (target 29,000). We also did not meet our target of customers who are satisfied with the library collections (actual 91 per cent, target 95 per cent). The number of digital heritage records created or improved was also below target at 4,812 (target 11,000).

Focusing on performance



Stormwater Management



We did not have any flooding events that impacted habitable floors.

We received less complaints about the performance of the Council's stormwater system than our measure (4.95 complaints per 1,000 properties connected, target seven or less). The median time for responding to a flooding event was 0.49 hours, under the target of one hour. We did not any abatement notices or other enforcement orders.



Transportation



The number of fatalities on the district's roading network increased by one from the previous year, while serious injury crashes decreased by five.

We achieve our target of average 'quality of ride' on the district's sealed local road network (actual and target 88 per cent). The satisfaction with the overall quality of the districts roads was under target at 67 per cent (target 85 per cent), although the comments received suggest dissatisfaction is primarily about state highways rather than local roads. The percentage of sealed local road network resurfaced was under target at four per cent (target 5.7 per cent).

The percentage of footpaths that meet the required levels of service was slightly under target at 88 per cent (target >90 per cent) and footpath length recorded as failed remained the same as the prior year at 0.3% (target <one per cent). Satisfaction with the quality and safety of the district's cycle network was under target at 81 per cent (target 85 per cent).

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



Venues and Events



We met our target of residents satisfied with the Council's swimming facilities (96 per cent, target 94 per cent).

We were just behind on our target of number of pool patrons for the year, with 386,525 patrons for the year (target 390,000). We did not meet our target for people attending events, with 225,938 people attending events (target 300,000). These were impacted by Covid-19 restrictions.

Our targets of holding 1100 events and 95 per cent of residents satisfied with the Council's events venues were marginally not met with 995 events held and 92 per cent of residents satisfied with our venues. We were also slightly below target for community satisfaction with Council events at 94 per cent (target 95 per cent).



Waste Management and Minimisation



We met our targeted one per cent reduction in landfill waste this year (four per cent reduction achieved). The number of complaints received about the Council's solid waste services was 1.75 per 1,000 customers, below our target of three or less per 1,000 customers.

We received three abatement notices, so did not meet our target of no abatement notices, infringement notices, enforcement orders or convictions.

Focusing on performance



Wastewater Treatment



The number of dry weather sewerage overflows was 0.69 per 1,000 connections to the wastewater system (target one or less). The median response time to sewerage overflow callouts was within the target of one hour or less, as was the resolution time for overflow callouts for sewerage under 250 mm diameter (2.11 hours, target four hours or less). There were no callouts for sewerage overflow for sewers greater than 250 mm diameter.

The total number of complaints received about sewerage odour, system faults or blockages, or the Council's response to issues with the sewerage system was 6.05 per 1,000 connected properties, well under the measure of 13 or less.

We received one infringement notice, for a sewer pipe plug being left in the Inglewood network by a contractor, and one conviction relating to the January 2019 spill of sewage into the Mangati Stream. These meant we did not meet our target of zero abatement notices, infringement notices, enforcement orders or convictions.



Water Supply



We achieved full compliance with Parts 4 and 5 of the drinking water standards.

We met our target of real water loss from our networked reticulation system (17.8 per cent, target 25 per cent or less).

We responded to our urgent callouts within their respective targeted timeframes. We did not meet our targets for responding to non-urgent callouts.

The total number of complaints received about our water supply service was 24.43 per 1,000 connections (target 10 or less). There was a high number of complaints due to main breaks in Urenui, Brixton, Marfell and Inglewood, and planned shutdowns in Inglewood and Brooklands.

We met our targets for managing demand to minimise the impact of water supply activities on the environment, with an average consumption of 287 litres per day per residents (target 315) and no abatement notices, infringement notices, enforcement orders or convictions.

Financial summary

Overall results at a glance

The Council recorded a surplus for the year of \$49.8m compared to a budget loss of \$10.4m. The primary driver of the variance to budget are the \$50.8m in gains on the Perpetual Investment Fund (PIF) investment during the year.

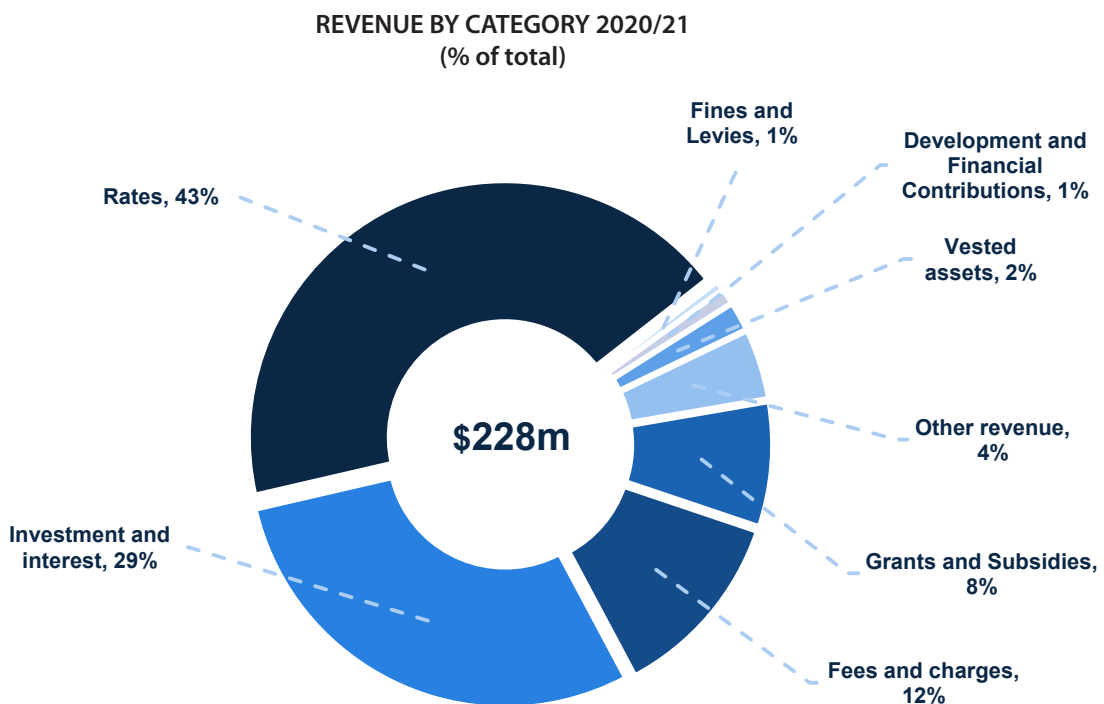
PIF investment

The PIF finished the year up \$54.2m to \$346.5m after payment of releases of \$9.1m for the year. Since inception the PIF has paid \$230.6m in release payments to the Council and achieved an annual return of 7.3 per cent per annum.

Where the money came from

In 2020/21 rates accounted for 43 per cent of the Council's funding (2019/20: 57 per cent).

The Council receives income from a variety of sources, including the PIF, capital expenditure funding, fees and user charges. The diagram below shows revenue from these different sources.

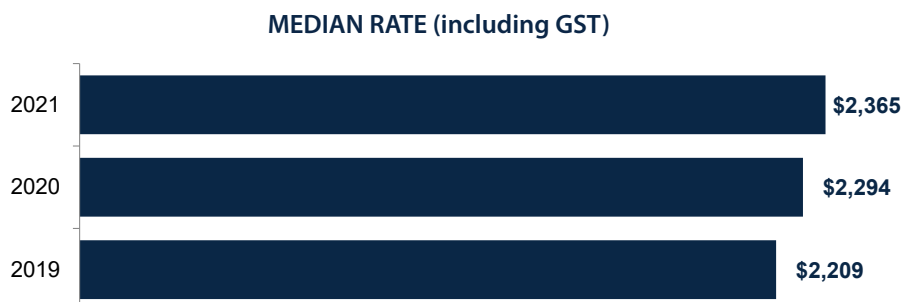


Rates collection

The Council works hard to ensure all rates are collected and accounted for. As in previous years, the Council has achieved an excellent collection record, collecting 99 per cent of rates (2019/20: 99 per cent) and 78 per cent of rate arrears (2019/20: 79 per cent).

Residential median rate

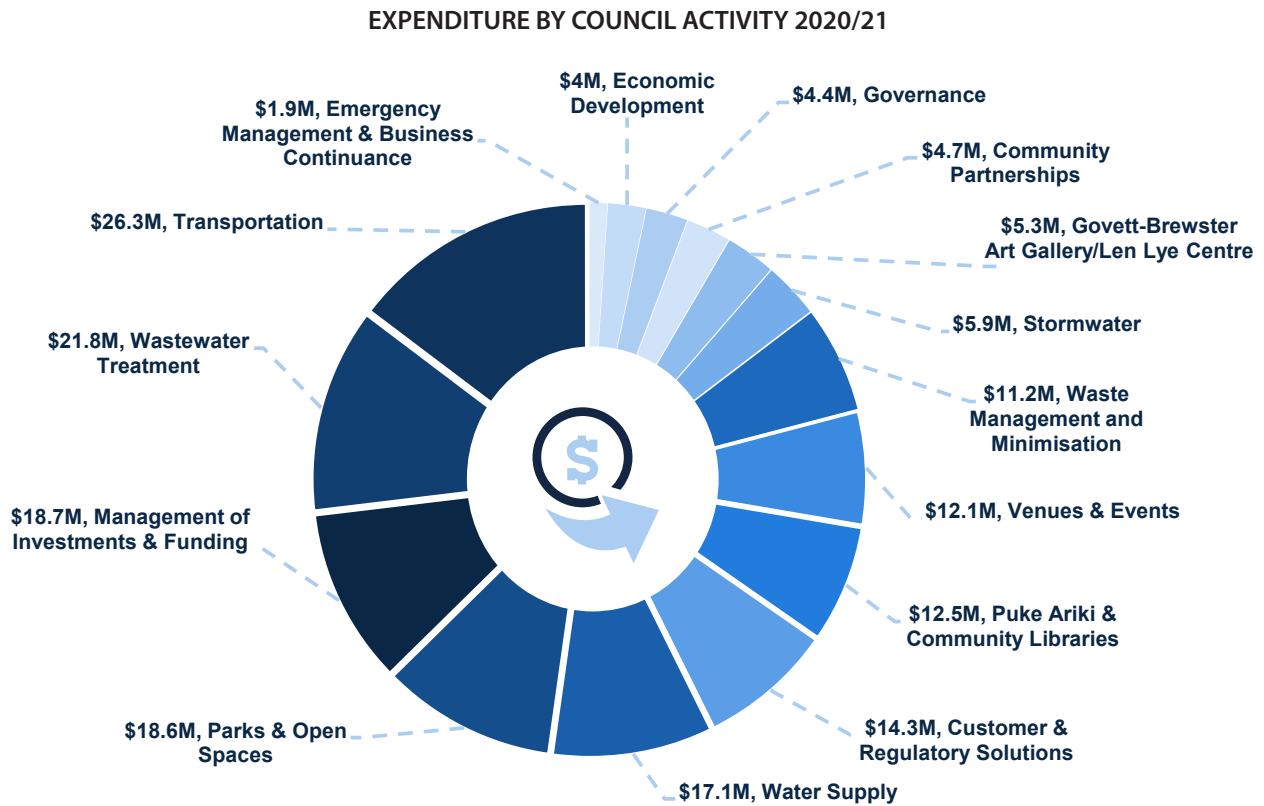
The residential median rate (including GST) increased by 3.1 per cent during the year (2019/20: increased by 3.88 per cent).



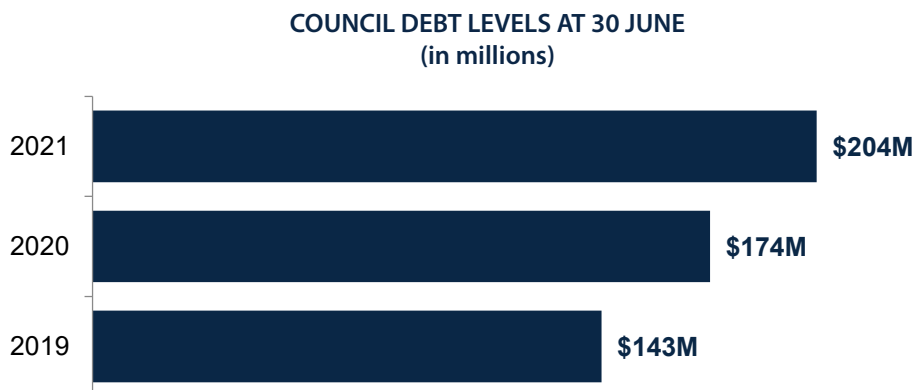
Financial summary

Where the money goes

Operating expenditure of \$178.8m is \$3.7m higher than budget. The graph below shows where the money was spent by Council activity.



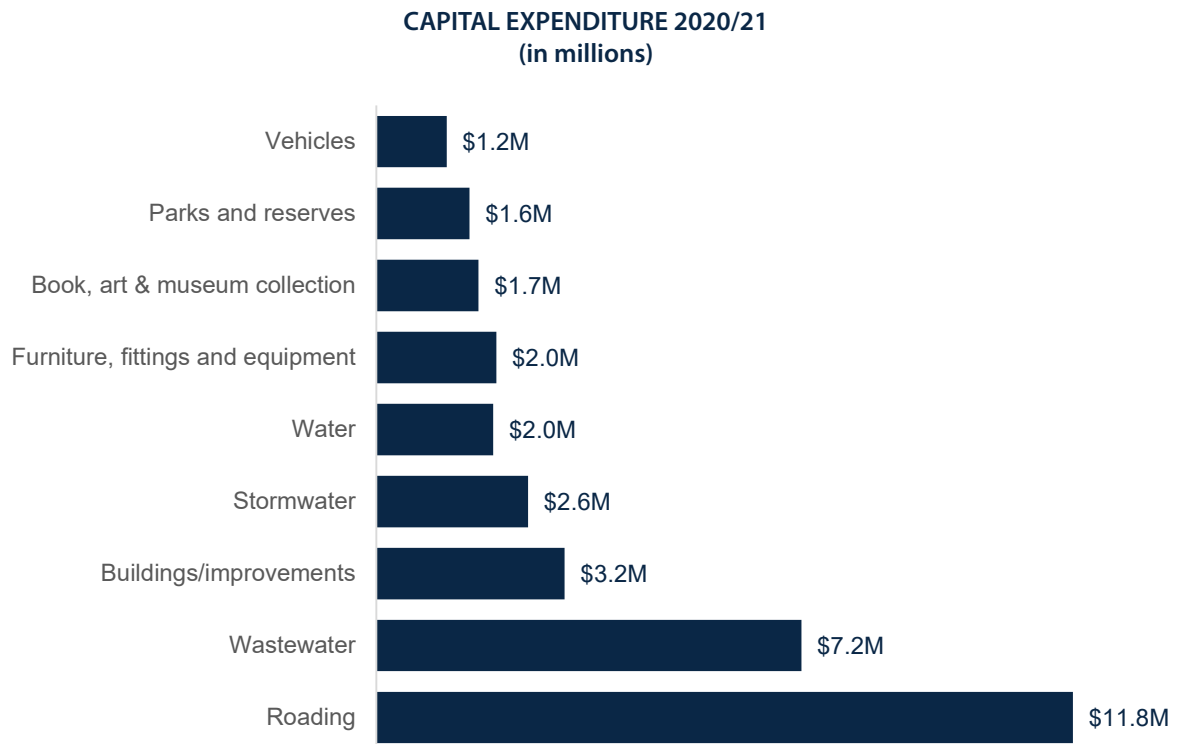
The Council's external borrowings increased \$30m to \$203.5m during the year. The graph below shows the Council's debt levels over the past three years.



Financial summary

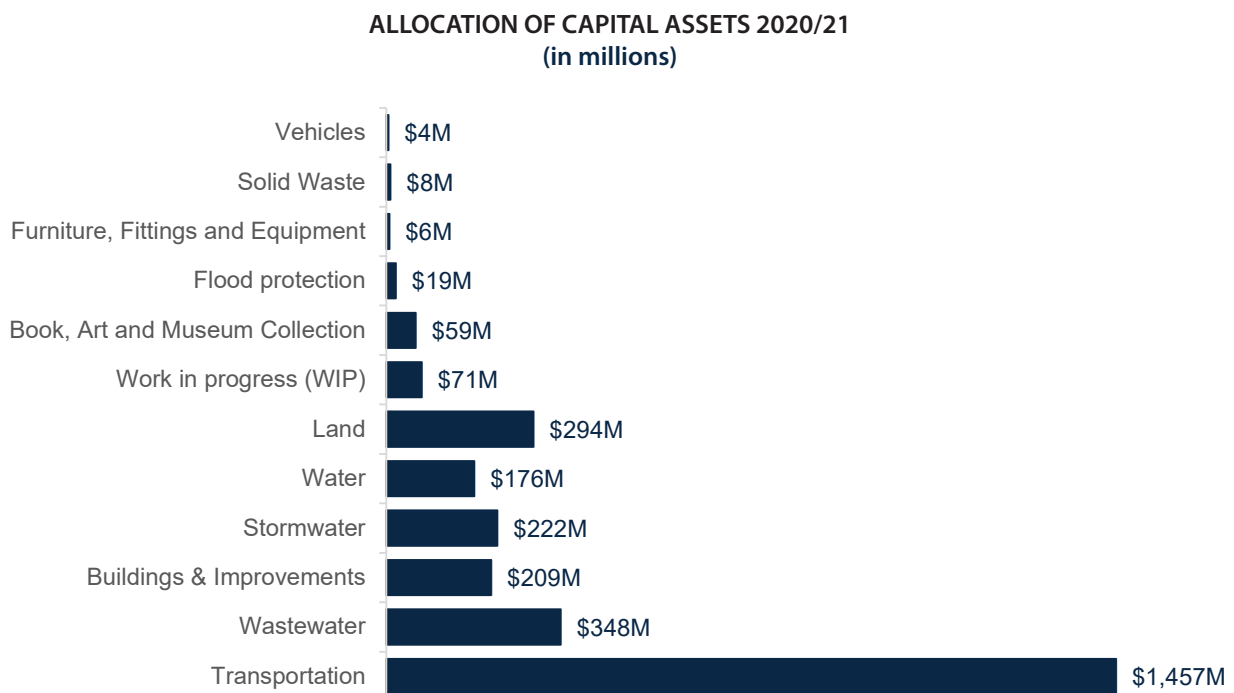
Capital spend

During the year the Council added \$33.1m of new assets through its renewal and capital works programme. This covered all activities within our district. The graph below shows the breakdown of capital expenditure by category.



Asset allocation

The graph below shows the allocation of the total property, plant and equipment balance by asset class as at 30 June 2021.



Financial summary

Summary Statement of Comprehensive Revenue and Expense for the year ended 30 June 2021

	COUNCIL			GROUP	
	2020/21 Actual \$'000	2020/21 Budget \$'000	2019/20 Actual Restated \$'000	2020/21 Actual \$'000	2019/20 Actual Restated \$'000
Rates revenue	98,360	97,910	94,300	98,285	94,209
Perpetual Investment Fund	65,945	14,910	8,112	65,945	8,227
Other revenue	64,112	51,920	63,328	70,852	69,544
Total operating revenue	228,417	164,740	165,855	235,082	171,980
Interest costs	5,983	7,000	5,723	5,983	5,725
Perpetual Investment Fund	2,216	1,136	2,279	2,216	2,279
Other expenses	170,614	166,994	176,946	179,532	184,635
Total operating expenditure	178,813	175,130	184,948	187,731	192,638
Share of joint venture surplus	219	-	339	219	339
(Deficit)/surplus before taxation	49,823	(10,390)	(18,754)	47,570	(20,319)
Income tax (expense)/refund	-	-	-	190	264
(DEFICIT)/SURPLUS AFTER TAXATION	49,823	(10,390)	(18,754)	47,760	(20,055)
Gain/(loss) on property, plant and equipment revaluations	-	-	6,196	-	11,113
Financial assets fair value movement (could be reclassified to surplus/(deficit))	-	-	23	-	23
Total other comprehensive revenue and expense	-	-	6,219	-	11,136
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	49,823	(10,390)	(12,535)	47,760	(8,919)

Summary Statement of Financial Position as at 30 June 2021

	COUNCIL			GROUP	
	2020/21 Actual \$'000	2020/21 Budget \$'000	2019/20 Actual Restated \$'000	2020/21 Actual \$'000	2019/20 Actual Restated \$'000
Current assets	370,813	356,960	315,312	370,885	316,498
Non-current assets	3,038,831	3,017,410	3,006,476	3,043,720	3,011,760
Total assets	3,409,644	3,374,370	3,321,788	3,414,605	3,328,258
Current liabilities	94,228	95,260	80,466	97,427	83,111
Non-current liabilities	179,003	186,810	154,732	179,003	154,732
Total liabilities	273,231	282,070	235,198	276,430	237,843
TOTAL EQUITY/NET ASSETS	3,136,413	3,092,300	3,086,590	3,138,175	3,090,415

Summary Statement of Changes in Net Assets/Equity for the year ended 30 June 2021

	COUNCIL			GROUP	
	2020/21 Actual \$'000	2020/21 Budget \$'000	2019/20 Actual Restated \$'000	2020/21 Actual \$'000	2019/20 Actual Restated \$'000
Equity at the beginning of the year	3,086,590	3,102,690	3,099,125	3,090,415	3,099,334
Total comprehensive revenue and expense	49,823	(10,390)	(12,535)	47,760	(8,919)
EQUITY AT THE END OF THE YEAR	3,136,413	3,092,300	3,086,590	3,138,175	3,090,415

Financial summary

Summary Statement of Cash Flows for the year ended 30 June 2021

	COUNCIL			GROUP	
	2020/21 Actual \$'000	2020/21 Budget \$'000	2019/20 Actual \$'000	2020/21 Actual \$'000	2019/20 Actual \$'000
Net cash flows from operating activities	26,217	5,760	20,222	25,878	19,982
Net cash flows from investing activities	(46,864)	(30,030)	(26,809)	(47,703)	(26,191)
Net cash flows from financing activities	30,000	35,610	30,500	30,000	30,500
NET INCREASE/(DECREASE) IN	9,353	11,340	23,913	8,175	24,291
CASH AND CASH EQUIVALENTS AT 1 JULY	34,707	7,410	10,793	38,163	13,872
CASH AND CASH EQUIVALENTS AT 30 JUNE	44,060	18,750	34,706	46,338	38,163

Summary accounting policies

Part 6 section 98 of the Local Government Act 2002 (LGA) requires the New Plymouth District Council (the Council) to make publicly available a summary of the information contained in its Annual Report. The specific disclosures included in the summary financial report have been extracted from the full financial report adopted by the Council on 21 December 2021. However, the summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding.

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

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

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

The summary has been examined for consistency with the full annual report and was audited by Audit New Zealand on behalf of the Auditor-General. The audited information, excluding the Council Services statement, received an unmodified audit opinion, with an emphasis of matter drawing attention to the disclosures about the Government's three water reform programme, on 21 December 2021. The Council Services statement received a qualified opinion over the prior year due to incomplete information about the number of complaints for some services.

Summary additional disclosures

Explanations for major budget variances from the Council budget figures in the Annual Plan 2019/20 are shown in the table below. The table variances are from the detailed breakdown in note 2 of the full Annual Report.

Financial summary

Statement of Comprehensive Revenue and Expense

	Council Actual \$'000
Budget - deficit before tax	(10,390)
Unbudgeted gains of:	
- Realised investment gains on financial assets	50,828
- Additional activity due to impact of Covid-19 restrictions being less severe than budgeted	8,991
- Additional grant income recognised for Department of Internal Affairs for Three Waters and Crown funding of the Thermal Dryer	3,225
- Interest expense during the period was lower than budgeted as a result of lower than expected borrowings due to less capital expenditure delivery	1,017
- Interest revenue during the period was lower than budgeted as a result of converting PRIP debt to equity	(1,440)
- Higher actual depreciation and amortisation charges	(2,308)
- Lower than budgeted development and financial contribution revenue due to lower than expected activity in the building sector	(100)
ACTUAL - SURPLUS BEFORE TAX	49,823

Statement of Financial Position

	Council Actual \$'000
Budget - total net assets	3,092,300
Opening investment in subsidiaries was higher than budgeted due to more than anticipated net assets being transferred over to the Entity Controlled Organisations	18,449
Increase in investments	48,926
Lower than budgeted borrowings arising from delayed capital expenditure and higher operational activity than planned	45,971
Increase in liability to distribute funds held for Waitara lands	(22,993)
Property, plant and equipment was lower than expected due to timing of contract delivery and the impact of Covid-19	(34,506)
Net change across several items of debtors and other receivables and creditors and other payables	(11,734)
ACTUAL - TOTAL NET ASSETS	3,136,413

Prior year adjustments

The Council and Group has identified that the accounting treatment applied in prior years to proceeds received from the sale of Council-owned properties in Waitara does not accurately reflect the underlying substance of these transactions. Therefore the Council and Group has adjusted its comparative year financial statements for the year ended 30 June 2020. The adjustment includes \$1m that should have been corrected through the 2019 opening equity but that has been included in the 30 June 2020 expenditure instead due to the amount being immaterial.

A portion of the proceeds received by the Council from the sale of Council-owned properties in Waitara are held in the Waitara Perpetual Community Fund established by the Council. Previously, an expense and corresponding liability were recognised to reflect the sale proceeds invested in the Fund by the Council which are intended to be distributed in future years. However, as the Council controls the fund, rather than recognising an expense and liability when amounts were invested in the fund, the balance of funds held in the Waitara Perpetual Community Fund should instead be recognised as an asset and a restricted reserve within total accumulated funds. An expense and liability is recognised when the annual releases are determined by the Council for distribution in accordance with the Council's Long Term policy.

The adjustments are shown in page 80 of the full Annual Report.

Financial summary

Contingencies

The full Annual Report notes the existence of contingent liabilities for the following:

Emissions Trading Scheme (ETS)

The Council has 235.9 hectares (2019/20: 235.9 hectares) of pre-1990 forest land determined under the Climate Change Response Act 2002 (CCR). Under the ETS, the Council will incur financial penalties should the land be deforested as defined by CCR. At year end approximately 0.4 hectares (2019/20: 0.4 hectares) had been harvested but not yet replanted. There is a four year stand- down period allowed between harvest and replanting. The Council intends to replant and/or let that portion naturally regenerate and has not given notice of intention to deforest. The Council does not consider it has a contingent liability in relation to this matter.

Local Government Funding Agency (LGFA)

The Council is a shareholder and guarantor of the LGFA. The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. It has a current credit rating from Standard and Poor's of AA+ as at 22 February 2021.

The Council is one of 31 local authority shareholders and 52 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 2021 LGFA had borrowings totalling \$13.6b (2019/20: \$11.9b).

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

RiskPool

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

A call for \$100,000 was made by the board of Civic Liability RiskPool during the year to 30 June 2019. The board have indicated that another final call is likely to be made in 2022 or 2023. It is expected that the amount of the call will be less than \$100,000. No call was made during the year to 30 June 2021 (2019/20: nil).

Subsequent events

Three Waters Reform

In July 2020, the Government launched the Three Waters Reform Programme – a three year programme to reform local government three waters service delivery arrangements. Currently 67 different councils own and operate the majority of the drinking water, wastewater and stormwater services across New Zealand. The proposed reform programme is being progressed through a partnership-basis approach with the local government sector, alongside iwi/Māori as the Crown's Treaty Partner.

Financial summary

Following the Government announcement on 27 October 2021 on the Three Waters Reform, there is increased certainty with the proposal to transfer the three-water delivery and infrastructure from the 67 councils to four Water Service Entities (WSEs). In June 2021, the Government proposed regional boundaries for each entity A, B, C and D, which would manage water assets for the country. NPDC would belong to WSE 'B', along with 22 other councils. Based upon the current proposals, the WSE would be independent with a separate Board of Directors and councils would have no shareholding and no financial interest. At the date of this annual report being approved for issue there is due to this announcement, increased certainty that should the legalisation be enacted, the Council will not be responsible for the delivery and infrastructure of three water services from 1 July 2024.

Changes in accounting policies

The standard and amendments effective for 2020/21 are listed in page 76 of the full Annual Report.

There were no effects for Council and Group from these changes.

Independent Auditor's Report

To the readers of New Plymouth District Council and group's summary of the annual report for the year ended 30 June 2021

The summary of the annual report was derived from the annual report of the New Plymouth District Council and group (the District Council) for the year ended 30 June 2021.

The summary of the annual report comprises the following summary statements on pages 8 to 20:

- the summary statement of financial position as at 30 June 2021;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2021;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary Council Services statement (focusing on performance).

Opinion

In our opinion:

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

However, the summary Council Services Statement (focusing on performance) information includes a limitation in scope to the equivalent extent as the full audited Council Services Statement. This limitation is explained below in The full annual report and our audit report thereon section.

Summary of the annual report

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

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

The full annual report and our audit report thereon

We expressed a qualified opinion on the Council Services Statement and an unmodified opinion on the other audited information in the full annual report for the year ended 30 June 2021 in our auditor's report dated 21 December 2021. The basis for our qualified opinion on the Council Services Statement is explained below.

Our work was limited in the prior year with respect to the verification of the number of complaints for some services.

The District Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. These mandatory performance measures include the total number of complaints (per 1,000 connections) received about the following:

- drinking water clarity, taste, odour, pressure or flow, continuity of supply, and the District Council's response to any of these issues.
- sewage odour, sewerage system faults or blockages, and the District Council's response to issues with the sewerage system.
- the performance of the stormwater system.

These measures are important because the number of complaints is indicative of the quality of services received by ratepayers.

Auditor's Report

The Department of Internal Affairs has issued guidance to assist local authorities in applying the Rules, including on how to count complaints. Our audit testing in the prior year found that the District Council had not been counting complaints in accordance with this guidance and that the District Council's method of counting was likely to have understated the actual number of complaints received in the comparative year to 30 June 2020. Complete records for all complaints made to the District Council were not available in the prior year and we were unable to determine whether the District Council's reported results for these performance measures were materially correct in the comparative year only.

As a result, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the number of complaints reported against these three performance measures for in the prior year. Our audit opinion on the Council Services statement for the year ended 30 June 2020 was modified accordingly.

This issue has been resolved for the 30 June 2021 year. As the limitation cannot be resolved for the 30 June 2020 year, the District Council's performance information reported for these performance measures for the 30 June 2021 year may not be directly comparable to the 30 June 2020 performance information.

Information about this matter is also disclosed on pages 11 and 12 of the District Council's summary annual report.

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the disclosures about the Government's three waters reform programme announcement as set out in the full annual report in note 28 to the financial statements. The Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services.

Council's responsibility for the summary of the annual report

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

Auditor's responsibility

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

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

In addition to our audit of the audited information and our report on the disclosure requirements, we have performed a limited assurance engagement related to the District Council's debenture trust deed which is 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

21 December 2021







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More information:

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