



Te Kaunihera-ā-Rohe o Ngāmotu

New Plymouth
District Council

ANNUAL PLAN

2023/24



This document is NPDC's Annual Plan for the 2023/24 financial year.

It outlines exceptions for the 2023/24 year from the Long-Term Plan 2021-2031, and is intended to be read alongside that document. This document does not provide an exhaustive list of all of Council's projects for 2023/24; however it does provide an overview of our key priorities and projects for the year.

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Mayor and Chief Executive's message

It's been a rollercoaster 12 months for Taranaki residents as Aotearoa navigates its way through one of the most challenging economic climates for 30 years.

While Covid is still with us, we are now learning to live with it, rather than fear it. But the sting in its tail is the ongoing impact the pandemic combined with challenging global economic factors, is having on the bottom line and ability to deliver on some of the projects developed with our residents.

This Annual Plan is our map for the coming financial year as we look to manage the impact of these challenging times, while continuing to forge ahead developing our Sustainable Lifestyle Capital – a place where our children will want to live, work learn and play.

War in Ukraine, supply chain disruption, material and staff shortages and record inflation have created an imperfect storm in which costs have and continue to rise.

Our focus is to prudently manage assets worth \$4 billion, as well as \$135m capital and \$216m operations budgets across our 16 business units. Like our residents, we are tightening our belt and have reduced budgets or delayed work programmes for this year – all in an effort to reduce the impact on ratepayers.

Our Perpetual Investment Fund (PIF) reached \$342 million in February this year, helping to offset the total rates bill by about \$10m.

Adding to our challenge is a significant increase in rating valuations of residential homes, lifestyle blocks, commercial properties and farms close to urban centres across the district, fuelled by a nationwide hot property market in recent years, but which has created large variations in the rates some locals will pay. This information from Quotable Value NZ arrived almost six months late leaving insufficient time to analyse and implement ways to mitigate the impact of those changes.



NEIL HOLDOM
New Plymouth Mayor



GARETH GREEN
Chief Executive

Like other Districts around the country, Taranaki's economy is under pressure, but the region's productivity rose by 3.7 per cent and employment up by 2.8 per cent at the end of 2022.

We're mindful of challenges local businesses are facing so we're also backing our Council-Controlled Organisations such as Venture Taranaki, our economic development agency and a key player in creating and keeping jobs in the district. Also, the award-winning New Plymouth Airport, now one of the busiest regional airports in the country, has around 650,000 passengers passing through it.

There is a lot of focus over the next year continuing to improve our critical infrastructure including progressing our \$248m investment over 10 years to Fix the Plumbing. Projects include continuing upgrade stormwater and water pipes underway in Inglewood, Waitara, Bell Block as well as upgrading the New Plymouth water treatment plant's greener thermal dryer and installing water meters across the district.

We will continue with a \$24 million programme fixing local roads by resealing, pothole repair and other maintenance, to keep our roads in top condition.

We are also doing our bit to tackle climate change, to protect and enhance our environment and implement our recently adopted emissions reduction plan. Work will start on upgrading Otupaia/Marine Park in Waitara this year, as will extending the Coastal Walkway between the park and Mangati/Bell Block – a project that will see more than 96,000 native plants planted as part of Greening Our Place initiative.

Despite all the challenges for this Annual Plan, our focus remains on managing costs and delivery. We have a lot of hard work ahead to continue planning for the central government-driven reforms for water, local government and the Resource Management Act.

So, this is our plan for the next 12 months, one to suit the tough economic times we live in. It fits today's times, and we don't claim to have all the answers, but we're prepared to be flexible so we can work them through, with a firm focus on the big picture for our grandkids.

Please take the time to read through this summary. We value your feedback on everything we do, and your ideas and concerns will help shape our responses to what's ahead.



Our Sustainable Lifestyle Capital vision

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

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

Vision

Sustainable Lifestyle Capital

Mission

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

Goals

- Partnerships**
Strengthening a treaty based partnership with tangata whenua and building partnerships with not-for-profit, private enterprise, and government to improve outcomes for all
- Delivery**
Understanding and balancing our people's needs and wants through prudent delivery of quality infrastructure and services
- Community**
Achieving wellbeing through a safe, creative, active and connected community while embracing Te Ao Māori
- Sustainability**
Nurturing our environment, mitigating our impact and adapting to climate change
- Prosperity**
Growing a resilient, equitable and sustainable economy where people want to work, live, learn, play and invest across our district

The risks to this annual plan

The heightened risk environment identified during the last Annual Plan is expected to continue. This environment means that we may not be able to deliver on our commitments to you, whether for existing services or in the projects we intend to undertake in 2023/24. Below are the key risks that we face.



Government Reforms

The Government has three major reforms aimed at local government at present. These are the Water Services Reform, Future for Local Government Review, and the Resource Management Reforms. These reforms, if they proceed, are likely to significantly impact on Council services in the future. However, for this Annual Plan these reforms are more likely to require additional expenditure by Council, or result in disruption of work programmes, as the reforms are developed and refined by the Government.



Covid uncertainty

Covid could continue to have implications for 2023/24. There are continued health risks for the community as well as economic risks. These risks are considered lower at present than in the past few years, but new variants of concern could increase these risks again.



Capital works programme delivery

The supply chain disruptions and border uncertainty since Covid increases risks to capital deliverability. Supply chain disruptions may make it harder to obtain goods for some projects, while border uncertainty may make it difficult to attract a skilled workforce to undertake specialised work.

There are also risks that the nationwide increase in capital expenditure (by both local and central government) will increase capital deliverability issues. The capital works programme has been reconsidered to focus on more deliverable projects, and there are ongoing improvements to improve deliverability as well.



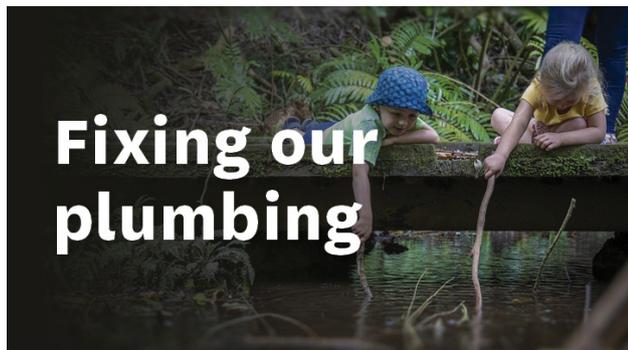
Inflation & interest rate uncertainty

Inflation is forecast to slowly decrease this year albeit still remaining high. However, there are still risks that inflation may not decrease, or could even increase. If inflation increases further than forecast, this could result in some costs being higher than budgeted. This increases the likelihood of projects fully utilising contingencies or being over budget. It could also mean Council decides to reduce the scope or scale of what it builds, or decides to defer some projects.

High inflation has already resulted in the Reserve Bank increasing the Official Cash Rate and, in turn, interest rates have already risen. There is a risk that interest rates increase further over 2023/24. This would create additional financial costs for Council.

What's coming up - key projects for 2023/24

Below are key capital expenditure projects planned for 2023/24, including what we are doing to progress the big calls we made in the Long-Term Plan (LTP) 2021-2031.



Fixing our plumbing

Looking after our existing assets

- This year we will focus our water renewal programme on water mains in Ōākura, Fitzroy, Glen Avon and Westown.
- The wastewater programme will be catching up on asset discovery/assessment, design and planning work. The programme was delayed due to Covid associated impacts.
- The stormwater renewal programme, as 'the last cab off the rank', has been impacted by the delays for wastewater. A design work contract panel is expected to be set up in 2023/24, with a construction panel set up the following year.

Conserving water

- Work will continue with installing water meters.

Improving stormwater management in Waitara

- Work will focus on the Tangaroa Restoration Programme and Upper Waiari Catchment.



Paying it forward

Building a multi-sport hub

- While no capital expenditure, planning continues for the Tūparakino Active Community Hub project, to inform decision-making for the Long-Term Plan 2024-2034.



Greening our place

Extending our tracks and trails network

- This year we will focus on the extension of the Coastal Walkway to Waitara, with work starting on detailed design, consenting and construction for the Waitara end of the Walkway.
- A small budget of \$31,000 is included in the Annual Plan to help resolve issues in the Kaitake Trail project.

Rolling out our Climate Action Framework

- We will focus on finalising the Adaptation Plan and refinement of projects for the Long-Term Plan 2024-2034.
- We will begin work on the infrastructure for accommodating more electric vehicles in the fleet carparks and continue to invest in sustainable travel options.
- We have two key projects in Inglewood and Peringa Park, aiming to plant at least 1.7 hectares of indigenous forest.

Other projects

- Colson Road Landfill closure works
- Construction of the Junction Permanent Building
- Downtown Carpark earthquake strengthening
- Inglewood CBD upgrade
- New Plymouth Water Treatment Plant Intake Fish Screen
- Onaero Bridge renewal
- Patterson Road growth area infrastructure
- TDF Crown Infrastructure funded Thermal Dryer
- TSB Stadium new toilets
- Waitara Marine Park redevelopment
- Windsor Walkway safety improvement
- WITT Infrastructure Training Facility
- Yarrow Stadium operational assets renewal

Key project changes from Year 3 of our LTP

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

New projects	
Dog Park planning	\$0.1m
Beach Street accessible steps planning	\$0.2m
Speed management activity To reduce speed around schools	\$0.6m
New Plymouth Partners Kawaroa Park Destination Playground	\$4.3m
Patterson Road growth area infrastructure	\$5.4m
The Government's Climate Emergency Response Fund transport choices	\$15.7m

Projects previously delayed from 2022/23	
Strandon Village place making	\$0.1m
Pohutukawa Place walking and drainage improvements	\$0.2m
Waiwhakaiho Pedestrian Bridge to The Valley planning	\$0.2m

Projects brought forward	
Waitara Library redevelopment planning	\$0.1m
Inglewood CBD upgrade	\$0.1m

Project budget increases	
Windsor Walkway safety improvements	Increased by \$0.5m to \$0.5m
Universal water metering	Increased by \$0.6m to \$6.5m
Walkway Extension to Waitara	Increased by \$1.6m to \$6.6m
TDF Crown Infrastructure Funded Thermal Dryer Facility	Increased by \$7.9m to \$23.8m

Key project changes from Year 3 of our LTP

Projects reduced to allow for planning

Raleigh Street and Tate Road intersection planning	Reduced by \$0.3m to \$0.1m
Project delayed to 2024/25 to align with SH3 safety improvements	
Wills Road widening planning	Reduced by \$0.4m to \$0.1m
Project delayed to align with Coastal Walkway programme in the same area	
Pukekura Park water quality planning	Reduced by \$0.5m to \$0.1m
Brooklands Road/Hori Street/Upjohn Street intersection safety improvements planning	Reduced by \$0.7m to \$0.1m
Waitaha Stream underpass Area Q planning	Reduced by \$0.6m to \$0.1m
Airport Drive/Parklands Avenue intersection	Reduced by \$0.7m to \$0.3m
Tūparikino Active Community Hub	Reduced by \$4m to \$1m
All capital expenditure on hold with a continuation of required planning	
New Plymouth Water Treatment Plant intake fish screen	Reduced by \$1.2m to \$1.7m
Part of project delayed until 2024/25	

Projects delayed to the future

Devon St East/Currie Street intersection improvements	\$0.2m
Otararoa Road geometric improvements	\$0.3m
Organic Waste Processing Facility	\$0.6m
Surrey Hill Road - Kaitake Road to Kaitake Trail	\$0.6m
Surrey Hill Road - Wairau Road to Kaitake Trail	\$0.7m
NPDC Civil Defence resilience project	\$0.8m
Belair Avenue/Omata Road intersection	\$1.3m
Kaitake Trail	\$2.1m
Kawaroa to Belt Road seawall	\$4.1m

Financial summary

This is a summary of key financial information relating to the Annual Plan 2023/24. For more detailed information, please refer to the Financial Information section.

THE NUMBERS

We have total assets worth

\$4.1b

and our capital budget is

\$135m

Operating budget

\$216m



Rates increase

12.4%



Gross debt

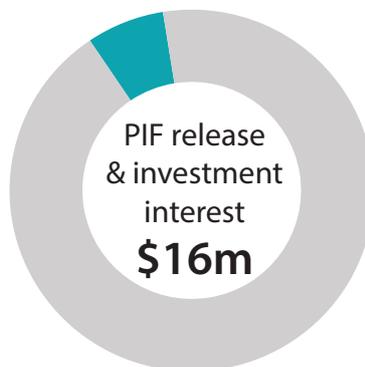
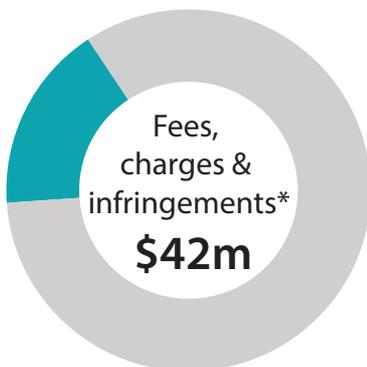
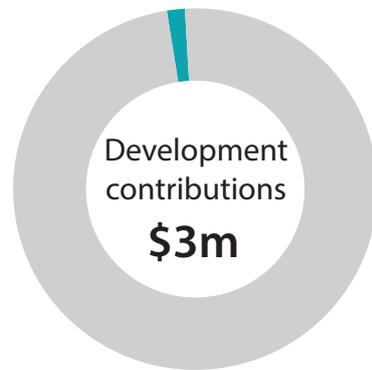
\$302m



Council's budgeted operational revenue

Where does the money come from?

Revenue is received from a mix of rates, fees, interest and dividends on Council's investments, and external sources such as financial assistance from government agencies (e.g. Waka Kotahi NZ Transport Agency). Council recognises revenue from an unrealised gain on investments (\$9.3m), gain on disposal of Waitara freehold land (\$5.4m) and vested assets income (\$4.4m).



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

Council's budgeted operational and capital expenditure

How will the money be spent?

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

Council services	Operating budget	Capital budget	Rates required*
 Community Partnerships	\$6.9m	\$0.2m	\$90
 Customer and Regulatory Solutions	\$15.9m	\$1.2m	\$51
 Economic Development	\$5.1m	-	\$86
 Emergency Management and Business Continuance	\$2.6m	\$0.1m	\$20
 Flood Protection and Control Works	\$0.6m	-	\$6
 Governance	\$4.6m	\$0.4m	\$80
 Govett-Brewster Art Gallery/ Len Lye Centre	\$6.1m	\$0.2m	\$80
 Management of Investments and Funding (includes PIF release)	\$12.1m	-	-\$178

* Average residential rates is \$3,160 (inclusive GST)

Council services		Operating budget	Capital budget	Rates required*
	Parks and Open Spaces	\$21.4m	\$10.3m	\$325
	Puke Ariki and Community Libraries	\$13.5m	\$2.0m	\$206
	Stormwater Management	\$8.4m	\$4.4m	\$72
	Transportation	\$33.3m	\$49.8m	\$443
	Venues and Events	\$16.6m	\$5.1m	\$195
	Waste Management and Minimisation	\$20.0m	\$3.4m	\$286
	Wastewater Treatment	\$28.1m	\$37.6m	\$597
	Water Supply	\$19.2m	\$13.0m	\$389

* Average residential rates is \$3,160 (inclusive GST)



Financial Information



Prospective Statements

Prospective Statement of Comprehensive Revenue and Expense

	LTP 2022/23 (\$m)	LTP 2023/24 (\$m)	Budget 2023/24 (\$m)
Operating revenue			
<i>Revenue from exchange transactions</i>			
Interest revenue	1.71	1.68	1.60
Investment revenue	20.36	21.07	23.77
Water - targeted metered rates	5.26	5.97	5.97
Other revenue (excluding vested assets, fines and levies)	39.52	39.08	40.57
<i>Revenue from non-exchange transactions</i>			
Rates (excluding water targeted metered rates)	112.26	119.87	126.36
Subsidies and grants	24.63	32.49	61.92
Development and financial contributions	3.08	3.19	3.19
Fines and levies	1.44	1.44	1.45
Vested assets	4.40	4.54	5.25
Total operating revenue	212.66	229.33	270.08
Operating expenditure			
Personnel costs	47.77	48.72	58.75
Other expenses	93.01	94.13	95.91
Depreciation and amortisation expenses	45.09	46.17	49.53
Interest expense	7.87	9.28	11.32
Total operating expenditure	193.74	198.30	215.51
Surplus/(deficit) before taxation	18.92	31.03	54.57
Taxation refund/(expense)	-	-	-
Surplus/(deficit) after taxation	18.92	31.03	54.57
Other comprehensive revenue and expense			
Gain/(loss) on property, plant and equipment and equipment revaluations	-	-	-
Total other comprehensive revenue and expense	-	-	-
Total comprehensive revenue and expense	18.92	31.03	54.57

Prospective Statement of Changes in Equity

	LTP 2022/23 (\$m)	LTP 2023/24 (\$m)	Budget 2023/24 (\$m)
Equity at the beginning of the year	3,283.74	3,302.66	3,640.26
Net surplus/(deficit) from continued operations	18.92	31.03	54.57
Other comprehensive revenue and expense	-	-	-
Total comprehensive revenue and expense	18.92	31.03	54.57
Equity adjustment	-	-	-
Equity at the end of the year	3,302.66	3,333.69	3,694.83

Prospective Statements

Prospective Statement of Financial Position

	LTP 2022/23 (\$m)	LTP 2023/24 (\$m)	Budget 2023/24 (\$m)
Non-current assets			
Property, plant and equipment	3,144.31	3,220.41	3,517.21
Intangible assets	6.85	7.12	10.01
Forestry assets	4.79	4.85	5.98
Investments in CCOs and similar entities	57.44	56.69	56.69
Other financial assets	56.61	56.01	83.01
Derivative financial instruments	0.76	0.76	0.76
Total non-current assets	3,270.76	3,345.84	3,673.66
Current assets			
Cash and cash equivalents	7.92	2.13	6.26
Debtors and other receivables	18.97	18.88	19.00
Investments in CCOs and similar entities	4.15	4.15	4.15
Other financial assets	315.93	329.69	370.27
Intangible assets	-	-	-
Inventory	0.15	0.15	0.15
Non-current assets held for sale	0.38	0.45	0.45
Total current assets	347.50	355.45	400.28
Total assets	3,618.26	3,701.29	4,073.94
Non-current liabilities			
Borrowings	193.14	255.70	249.14
Derivative financial instruments	21.63	21.63	21.63
Provisions	2.84	2.69	2.69
Employee entitlements	0.52	0.52	0.52
Total non-current liabilities	218.13	280.54	273.98
Current liabilities			
Creditors and other payables	28.24	31.76	54.97
Borrowings	64.00	50.00	53.05
Provisions	1.02	1.02	1.02
Employee entitlements	3.93	4.00	4.77
Derivative financial instruments	0.30	0.30	0.30
Total current liabilities	97.49	87.08	114.11
Total liabilities	315.62	367.62	388.09
Net assets	3,302.64	3,333.67	3,685.85
Equity			
Accumulated funds	1,656.06	1,696.14	1,751.02
Restricted reserves	46.28	37.23	34.53
Asset revaluation reserves	1,600.30	1,600.30	1,900.30
Total equity	3,302.64	3,333.67	3,685.85

Prospective Statements

Prospective Cash Flow Statement

	LTP 2022/23 (\$m)	LTP 2023/24 (\$m)	Budget 2023/24 (\$m)
Cash flows from operating activities			
Receipts from rates revenue	117.52	125.84	132.34
Interest received	1.71	1.68	1.60
Other revenue received	63.85	71.48	103.52
Payments to suppliers and employees	(129.88)	(132.62)	(143.84)
Waitara Lands Act disbursements	(6.11)	(6.85)	(2.54)
Interest paid	(7.87)	(9.28)	(11.32)
Net cash flows from operating activities	39.22	50.25	79.76
Cash flows from investing activities			
Receipts from sale of property, plant and equipment	7.56	8.24	8.24
Investment release to Council	11.19	11.81	14.51
Receipts from sale of other financial assets	0.75	0.75	0.75
Purchase of property, plant and equipment	(98.63)	(120.90)	(135.02)
Purchase of other financial assets	(4.08)	(4.50)	(5.87)
Net cash flows from investing activities	(83.21)	(104.60)	(117.39)
Cash flows from financing activities			
Proceeds from borrowings	48.16	83.56	61.56
Repayment of borrowings	(15.00)	(35.00)	(35.00)
Net cash flows from financing activities	33.16	48.56	26.56
Net increase/(decrease) in cash and cash equivalents	(10.83)	(5.79)	(11.07)
Cash and cash equivalents at the beginning of the year	18.75	7.92	17.34
Cash and cash equivalents at the end of the year	7.92	2.13	6.27

Statement of Accounting Policies

These prospective financial statements are for the year commencing 1 July 2023 and ending on 30 June 2024 and were authorised for issue by Council on 13 June 2023. The accounting policies used to prepare these prospective financial statements are the same as those contained in the Basis of Preparation of the Annual Report for the year ended 30 June 2022 which is available on the [Council's website](#). The changes in PBE IPSAS accounting standards that have occurred since the 30 June 2022 reporting period have no impact in the preparation of this Annual Plan.

Notes to the Prospective Statements

Group of activities combined depreciation and amortisation expense

	LTP 2022/23 (\$m)	LTP 2023/24 (\$m)	Budget 2023/24 (\$m)
Community Partnerships	0.24	0.24	0.32
Customer and Regulatory Solutions	0.69	0.69	0.33
Economic Development	-	-	-
Emergency Management and Business Continuance	0.04	0.05	0.09
Flood Protection and Control Works	0.13	0.13	0.22
Governance	0.02	0.02	-
Govett-Brewster Art Gallery/Len Lye Centre	0.56	0.57	0.66
Management of Investments and Funding	-	-	0.06
Parks and Open Spaces	2.81	2.95	3.80
Puke Ariki and Community Libraries	2.20	2.21	2.34
Stormwater Management	3.96	4.02	5.23
Transportation	12.29	12.53	12.56
Venues and Events	1.53	1.65	2.02
Waste Management and Minimisation	0.50	0.51	1.00
Wastewater Treatment	10.25	10.59	11.90
Water Supply	7.09	7.22	6.50
Other	2.78	2.78	2.50
Total depreciation and amortisation expense	45.09	46.17	49.53

Waitara Lands Act Land

This plan includes future income from Waitara endowment land totalling \$8.41m to be distributed as follows:

- Taranaki Regional Council \$2.53m
- Hapu Land Fund \$2.94m
- Waitara Perpetual Community Fund \$2.94m

The annual release from the Waitara Perpetual Community Fund provided for in these prospective financial statements is \$262,332.

Reserve Funds

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

Summary of Reserve Funds

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

	LTP 2022/23 (\$m)	LTP 2023/24 (\$m)	Budget 2023/24 (\$m)
Opening balances	65.10	46.29	54.95
Deposits to reserves	28.87	30.00	23.63
Withdrawals from reserves	(47.68)	(39.05)	(41.57)
Closing balances	46.29	37.24	37.01

Note. Opening balances for Budget 2023/24 have been adjusted to reflect the actual opening position at 1 July 2022 and impacts of forecast for 2022/23.

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

	LTP 2022/23 (\$m)	LTP 2023/24 (\$m)	Budget 2023/24 (\$m)
Opening balances	11.65	8.39	0.38
Deposits to reserves	(0.15)	0.60	0.20
Withdrawals from reserves	(3.11)	(2.59)	(0.93)
Closing balances	8.39	6.40	(0.35)

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

	LTP 2022/23 (\$m)	LTP 2023/24 (\$m)	Budget 2023/24 (\$m)
Opening balances	38.46	40.53	31.79
Deposits to reserves	5.81	4.73	3.07
Withdrawals from reserves	(3.74)	(1.27)	(0.33)
Closing balances	40.53	43.99	34.53

Reserve Funds

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

	LTP 2022/23 (\$m)	LTP 2023/24 (\$m)	Budget 2023/24 (\$m)
Opening balances	0.90	0.59	0.59
Deposits to reserves	-	0.00	0.00
Withdrawals from reserves	(0.31)	0.00	0.00
Closing balances	0.59	0.59	0.59

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

	LTP 2022/23 (\$m)	LTP 2023/24 (\$m)	Budget 2023/24 (\$m)
Opening balances	14.09	(3.18)	22.19
Deposits to reserves	23.21	24.67	20.36
Withdrawals from reserves	(40.48)	(35.19)	(40.31)
Closing balances	(3.18)	(13.70)	2.24

Disclosure Statement for the period commencing 1 July 2022

(Note: this Statement is unaudited)

What is the purpose of this statement

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

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

Benchmark	Planned	Met
Rates affordability - income		
Total rates revenue for each year will not exceed 75% of operating revenue.	49%	Yes
Rates affordability - increases		
Total rates increase limit is 9%.	12.4%	No
Debt affordability		
Interest expense on external borrowings each year will be no more than 12.5% of rates income.	9%	Yes
Net external borrowings each year will be no more than 135% of total revenue.	109%	Yes
Balanced budget		
The planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment) equals or is greater than its planned operating expenses.	252%	Yes
Essential services		
The planned capital expenditure on network services equals or is greater than expected depreciation on network services.	288%	Yes
Debt servicings		
The Council's planned borrowing costs are equal to or are less than 10% of its planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment).	4%	Yes

Rates and Funding Information

Funding Impact Statement

Rating policies, system and indicative rates

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

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

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

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

1. General rates

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

Differential land value categories

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

	Fixed Differential %	Revenue sought 2023/24 (\$)
Group 1: Commercial/Industrial All rating units that are used primarily for any commercial or industrial purpose	26.9	23,679,858
Group 2: Residential All rating units with a land area of one hectare or less, not being rating units in Group 1, used for residential and related purposes.	54	47,535,774
Group 3: Small Holdings All rating units, not being rating units included in Groups 1 or 2, having a land area of more than one hectare but no greater than four hectares.	3.6	3,169,052
Group 4: Farmland All rating units, not being rating units included in Groups 1, 2 or 3, having a land area in excess of four hectares.	15.5	13,644,528
Total	100	88,029,212

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

Rates and Funding Information

Funding Impact Statement

Application of differential calculation

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

	Group 1 Commercial/ Industrial	Group 2 Residential	Group 3 Small Holdings	Group 4 Farmland
Group differential requirement	\$23,679,858	\$47,535,775	\$3,169,052	\$13,644,528
Total UAGC from Group collected	\$1,030,200	\$13,443,367	\$754,352	\$1,338,625
Group requirement from land value calculation	\$22,649,658	\$34,092,408	\$2,414,700	\$12,305,903

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

Differential category	Rate cents/\$	Differential factor
Commercial/Industrial	1.2168	4.72
Residential	0.2578	1.00
Small Holdings	0.1985	0.77
Farmland	0.2674	1.04

2. Uniform annual general charge

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

	2022/23	2023/24
UAGC (excluding GST)	\$393.20	\$423.08

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

3. Targeted roading rate

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

	2022/23	2023/24
UARC (excluding GST)	\$119.01	\$128.05

4. Targeted service charge rates

NPDC will charge the following targeted rates:

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

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

Rates and Funding Information

Funding Impact Statement

5. Water Supply

NPDC has three mechanisms of payment for water supply.

- a) **Annual water charge** is a targeted rate being a fixed amount per SUIP which is connected to an urban water supply but not charged volumetrically. This rate will be charged in 2023/24 and will be discontinued in 2024/25. The amount per SUIP is \$388.83 (excluding GST) for 2023/24.
- b) **On demand supplies of water by meter** is a rate per cubic metre of water supplied to each connection which is metered and charged volumetrically and connected to an urban or rural water supply. A scale of charges is applied as follows:
 - i) Standard rate for consumption up to or equal to 50,000m³ per annum \$1.42 (per cubic metre) for 2023/24.
 - ii) Rate for consumption in excess of 50,000m³ per annum \$1.44 (per cubic metre) for 2023/24.
 - iii) Waitara industrial - untreated supply \$0.96 (per cubic metre) for 2023/24.
- c) **Restricted flow targeted rate.** A restricted flow targeted rate is determined by the (user nominated) volume of water able to be supplied within a fixed time period to a SUIP for properties that are not metered and are connected to a rural water supply (in accordance with NPDC's Bylaw Part 14 - Water, Wastewater and Stormwater Services). For 2023/24, the amount per 1m³ unit is \$227.63.

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

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

6. Sewage treatment and disposal

All rating units other than commercial/industrial and schools

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

The amount per SUIP is \$596.41 for 2023/24.

Commercial/industrial and schools

NPDC will set a targeted rate per water closet or urinal per SUIP connected either directly or through a private drain to a public sewerage drain or commercial/industrial properties and schools as per the following scale per water closet or urinal for 2023/24.

	(\$)
One to two	596.41
Three	506.95
Four	447.31
Five	387.67
Six to 10	357.85
11 to 15	328.03
16 to 20	313.12
21 or more	298.21

Expansion of sewerage scheme charges (including Ōākura)

For rating units in the area to which the sewerage scheme was expanded and is now available (including Ōākura), where an agreement to connect was obtained but the rating unit has not yet connected, a targeted rate per SUIP will be set as a fixed amount (which is half the full amount). The amount per SUIP for 2023/24 is \$298.21. Once connected the full amount will apply in the next financial year.

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

Rates and Funding Information

Funding Impact Statement

7. Refuse collection and disposal including kerbside recycling

NPDC will set a targeted rate for refuse collection and disposal (including kerbside recycling) as a fixed amount per SUIP to which the Council provides the service for which the charge is assessed. The amount per SUIP is \$206.10 for 2023/24.

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

NPDC will set a targeted rate for swimming pool compliance as a fixed amount per SUIP which have a swimming pool/spa pool on the rating unit. The amount per SUIP is \$44.06 for 2023/24.

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

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

Due dates and penalties

NPDC's rates (excluding metered water rates) for the 2023/24 year (1 July 2023 to 30 June 2024) will become due and payable by four equal instalments on the following dates:

Instalment 1: 30 August 2023

Instalment 2: 29 November 2023

Instalment 3: 28 February 2024

Instalment 4: 29 May 2024

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

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

Metered water rates for the 2023/24 year (1 July 2023 to 30 June 2024) will generally be invoiced on a quarterly basis. However, rating units may be invoiced monthly if the unit has previously been invoiced monthly or NPDC has been notified before 30 June 2023 to be invoiced monthly.

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

Instalment 1: 29 November 2023

Instalment 2: 28 February 2024

Instalment 3: 29 May 2024

Instalment 4: 28 August 2024

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

Rates and Funding Information

Funding Impact Statement

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

Instalment 1:	21 August 2023
Instalment 2:	20 September 2023
Instalment 3:	20 October 2023
Instalment 4:	20 November 2023
Instalment 5:	20 December 2023
Instalment 6:	22 January 2024
Instalment 7:	20 February 2024
Instalment 8:	20 March 2024
Instalment 9:	22 April 2024
Instalment 10:	20 May 2024
Instalment 11:	20 June 2024
Instalment 12:	22 July 2024

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

Rating base information

	2022/23*	2023/24
Projected number of rating units	36,773	37,118
Projected total capital value of rating units (\$m)	24,170	24,325
Projected total land value of rating units (\$m)	12,749	20,906

* These are the actual rates strike figures

Lump sum contributions

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

Other funding sources

	2023/24 (\$m)
Subsidies and grants	61.92
Fees and charges	35.23
Interest and dividends from investments	16.11
Development and financial contributions	3.19
Increase (decrease) in debt	26.57
Gross proceeds from sale of assets	8.63
Lump sum contributions	-
Other (including fuel tax, fines and infringements)	1.38
	153.03

Rates and Funding Information

Funding Impact Statement

Total rates

	2022/23 (\$)	2023/24 (\$)
Uniform annual general charge (UAGC)	15,233,748	16,566,544
General rate	63,259,363	71,462,669
Sub total (general rates)	78,493,111	88,029,213
Uniform annual roading charge (UARC)	4,600,304	4,989,910
Uniform annual sewage charge (UADC)	16,539,000	19,417,304
Uniform annual water charge (UAWC)	9,664,035	10,809,079
Water by meter charges	5,260,950	5,418,779
Uniform annual refuse charge (UARC)	5,513,000	6,308,033
Swimming pool compliance charge (UAPC)	41,590	42,163
Sub total (targeted rates/charges)	41,618,879	46,985,268
Total	120,111,990	135,014,481

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

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

The following examples show the impact of the rating proposals on low, medium and high valued properties for each differential for 2023/24. They are required to be provided under clause 20(5) of Schedule 10 of the Local Government Act 2002 and are indicative only. (Plus, approximate average case for each group based on average land value and pans for commercial/industrial.) The examples exclude the swimming pool compliance targeted rate and the voluntary Ngā Whare Ora Taiao o Ngāmotu (New Plymouth Sustainable Homes) Scheme targeted rate. More information about these rates can be found on page 24.



Residential land value (LV)

	\$235,000 LV <i>(previously \$111,000 LV)</i>	\$320,000 LV <i>(previously \$165,000 LV)</i>	\$390,000 LV <i>(previously \$215,000 LV)</i>	\$490,000 LV <i>(previously \$285,000 LV)</i>	\$790,000 LV <i>(previously \$500,000 LV)</i>
General Rate	696.70	948.70	1,156.23	1,452.70	2,342.11
Uniform annual general charge	486.54	486.54	486.54	486.54	486.54
Targeted rates					
Uniform annual roading charge	147.26	147.26	147.26	147.26	147.26
Uniform annual sewage charge	686.00	686.00	686.00	686.00	686.00
Uniform annual water charge:					
- Network fixed charge	43.24	43.24	43.24	43.24	43.24
- Standardised consumption charge	403.91	403.91	403.91	403.91	403.91
Uniform annual refuse charge	237.02	237.02	237.02	237.02	237.02
Total	2,700.67	2,952.67	3,160.20	3,456.67	4,346.08
Increase \$ over 2022/23	403.22	404.77	380.40	352.21	244.46

Rates and Funding Information

Funding Impact Statement



Commercial/Industrial land value (LV)

	\$136,000 LV (previously \$42,000 LV)	\$340,000 LV (previously \$205,000 LV)	\$580,000 LV (previously \$380,000 LV)	\$1,020,000 LV (previously \$720,000 LV)	\$2,640,000 LV (previously \$1,930,000 LV)
General Rate	1,903.08	4,757.69	8,116.06	14,273.06	36,942.05
Uniform annual general charge	486.54	486.54	486.54	486.54	486.54
Targeted rates					
Uniform annual roading charge	147.26	147.26	147.26	147.26	147.26
Uniform annual sewage charge	686.00	686.00	2,230.00	2,230.00	4,120.00
Uniform annual water charge:					
- Network fixed charge	43.24	43.24	43.24	43.24	43.24
- Standardised consumption charge	403.91	403.91	403.91	403.91	403.91
Total	3,670.03	6,524.64	11,427.01	17,584.01	42,143.00
Increase \$ over 2022/23	1,324.02	1,181.12	1,549.30	1,453.83	2,161.33



Small Holdings land value (LV)

	\$340,000 LV (previously \$170,000 LV)	\$545,000 LV (previously \$280,000 LV)	\$610,000 LV (previously \$335,000 LV)	\$700,000 LV (previously \$425,000 LV)	\$1,110,000 LV (previously \$640,000 LV)
General Rate	776.14	1,244.10	1,392.48	1,597.93	2,511.03
Uniform annual general charge	486.54	486.54	486.54	486.54	486.54
Targeted rates					
Uniform annual roading charge	147.26	147.26	147.26	147.26	147.26
Total	1,409.94	1,877.90	2,026.28	2,231.73	3,144.83
Increase \$ over 2022/23	187.47	245.58	189.03	59.13	171.14



Farmland land value (LV)

	\$320,000 LV (previously \$150,000 LV)	\$670,000 LV (previously \$395,000 LV)	\$850,000 LV (previously \$570,000 LV)	\$1,580,000 LV (previously \$1,200,000 LV)	\$4,950,000 LV (previously \$4,020,000 LV)
General Rate	984.03	2,060.32	2,613.84	4,858.66	15,221.75
Uniform annual general charge	486.54	486.54	486.54	486.54	486.54
Targeted rates					
Uniform annual roading charge	147.26	147.26	147.26	147.26	147.26
Total	1,617.83	2,694.12	3,247.64	5,492.46	15,855.55
Increase \$ over 2022/23	476.45	650.57	559.68	484.66	463.66

Rates and Funding Information

Funding Impact Statement

Rates and Charges	2022/23 (\$)	2023/24 (\$)
General rates		
Uniform annual general charge	393.20	423.08
Differential rates (cents per \$ of rateable value):		
- Group 1 (Commercial/Industrial)	1.5991c	1.2168c
- Group 2 (Residential)	0.4033c	0.2578c
- Group 3 (Small Holdings)	0.3240c	0.1985c
- Group 4 (Farmland)	0.3202c	0.2674c
Targeted rates/charges		
Uniform annual roading charge	119.01	128.05
Uniform annual refuse charge per serviced household	181.74	206.10
Uniform annual sewage charge - all rating units other than commercial/industrial	507.83	596.41
Uniform annual sewage charge - commercial/industrial (including schools) (scale of charges per water closet or urinal):		
- One to two	507.83	596.41
- Three	431.30	506.95
- Four	380.87	447.31
- Five	330.43	387.67
- Six to 10	304.35	357.85
- 11 to 15	279.13	328.03
- 16 to 20	266.96	313.12
- 21 or more	253.91	298.21
Ōākura part charge	253.91	298.21
Uniform annual water charge:		
- Network fixed charge	37.60	37.60
- Consumption variable charge	310.75	351.23
Swimming pool compliance charge	43.47	44.06
Ngā Whare Ora Taiao o Ngāmotu (New Plymouth Sustainable Homes) Scheme - funding assistance depending on each funding arrangement		
Water charges		
On demand supplies by water by meter (WBM):		
- Supply charge (for all metered customers)	37.60	37.60
- Standard rate for consumption up to 50,000m ³ (per cubic metre)	1.38	1.42
- Industrial rate for consumption in excess of 50,000m ³ per annum (per cubic metre)	1.40	1.44
Waitara industrial - untreated supply (per cubic metre)	0.96	0.96
Restricted flow connections (per water unit as defined by Water, Wastewater and Stormwater Services Bylaw (Part 14))	221.00	227.63

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

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

Funding Impact Statement

	LTP 2022/23 (\$m)	LTP 2023/24 (\$m)	Budget 2023/24 (\$m)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	75.75	79.16	87.16
Targeted rates	41.77	46.68	45.18
Subsidies and grants for operating purposes	7.30	7.12	7.40
Fees and charges	34.93	33.74	35.23
Interest and dividends from investments	12.91	13.49	16.11
Local authorities fuel tax, fines, infringement fees and other receipts	1.37	1.37	1.38
Total operating funding (A)	174.03	181.56	192.46
Applications of operating funding			
Payments to staff and suppliers	(142.61)	(145.69)	(161.80)
Finance costs	(7.87)	(9.28)	(11.32)
Internal charges and overheads applied	2.73	2.80	7.01
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(147.75)	(152.17)	166.11
Surplus/(deficit) of operating funding (A - B)	26.28	29.39	26.35
Sources of capital funding			
Subsidies and grants for capital expenditure	17.33	25.37	54.52
Development and financial contributions	3.08	3.19	3.19
Increase/(decrease) in debt	33.15	48.55	26.57
Gross proceeds from sale of assets	7.56	8.23	8.63
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	61.12	85.34	92.91
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	(10.27)	(11.10)	17.30
- to improve the level of service	(43.25)	(57.93)	68.59
- to replace existing assets	(45.11)	(51.87)	49.13
(Increase)/decrease in reserves	8.50	3.01	(15.85)
(Increase)/decrease of investments	2.73	3.15	0.09
Total applications of capital funding (D)	(87.40)	(114.74)	119.26
Surplus/(deficit) of capital funding (C-D)	(26.28)	(29.40)	(26.35)
Funding balance (A-B) + (C-D)	-	-	-

Other information to be provided

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

	LTP 2022/23 (\$m)	LTP 2023/24 (\$m)	Budget 2023/24 (\$m)
Depreciation and amortisation expense			
Depreciation expense	45.09	46.17	49.53
less deferred/unfunded	(22.08)	(21.70)	(29.37)
Net funding transferred to renewals reserves	23.01	24.47	20.16

Reconciliation Summary

Reconciliation of Prospective Financial Plan, Summary Funding Impact Statement and Prospective Financial Statements

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

	LTP 2022/23 (\$m)	LTP 2023/24 (\$m)	Budget 2023/24 (\$m)
Sources of operating funding			
Total operating funding (A)	174.02	181.55	192.45
add sources of capital funding:			
- Subsidies and grants for capital expenditure	17.33	25.37	54.52
- Development and financial contributions	3.08	3.19	3.19
add Statement of comprehensive revenue and expense:			
- Unrealised gain/(loss) on PIF	9.17	9.26	9.26
- Disposals gain/(loss) from sale of assets	4.66	5.42	5.42
- Vested assets	4.40	4.54	5.25
Total operating revenue as per statement of comprehensive revenue and expense	212.66	229.33	270.09
Applications of operating funding			
Total applications of operating funding (B)	147.75	152.17	166.11
add Statement of comprehensive revenue and expense:			
- Depreciation and amortisation expenses	45.09	46.17	49.53
- Revaluation (gain)/loss on forestry	0.90	(0.06)	(0.13)
Total operating revenue as per statement of comprehensive revenue and expense	193.74	198.28	215.51



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