



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

Summary

ANNUAL REPORT

2021/22



Welcome to NPDC's Annual Report for 2021/22

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

This summary is a snapshot of our activities from 1 July 2021 to 30 June 2022. For more information on all our activities, including NPDC's financial health, 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 posted to you or read it online at [New Plymouth District Council \(npdc.govt.nz\)](http://NewPlymouthDistrictCouncil.govt.nz)

The information in this summary is taken from the audited Annual Report 2021/22 which was adopted by the Council on 14 March 2023.



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Mayor's Message

Te Karere ā te Māngai ā-Kaunihera

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

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

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

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



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

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

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

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

A handwritten signature in black ink, appearing to read 'Neil Holdom'.

Neil Holdom
Mayor

Acting Chief Executive's Message

Karere ā te Tumu Whakarae o nāianeī



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

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

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

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

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

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

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

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

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

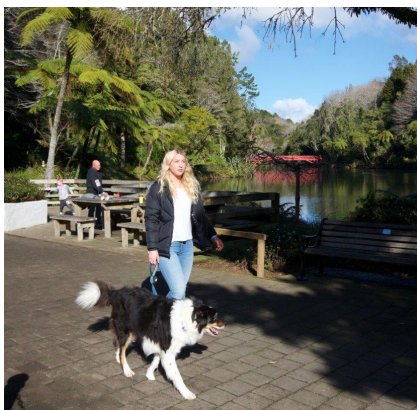
This Annual Report is later than usual – again due to Covid. It's a reflection of how these difficult times look set to carry on for the foreseeable future, but it also shows that NPDC is ready to meet them.

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

Miriam Taris
Acting Chief Executive

Our year in review

He tirohanga whakamuri



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



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



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



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



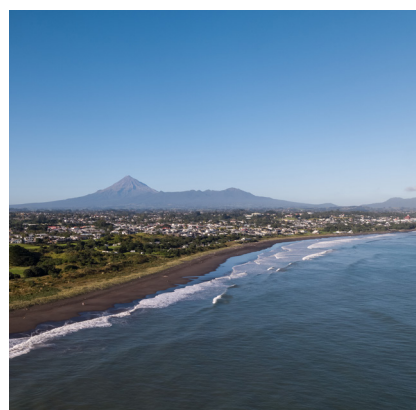
NPDC's first ever TSB Festival of Lights Winter Pop-up celebrates Puanga and draws thousands of visitors into the City Centre.



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



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



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

Our performance

Ō mātou whakaaturanga

How we performed against our targets for the year

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

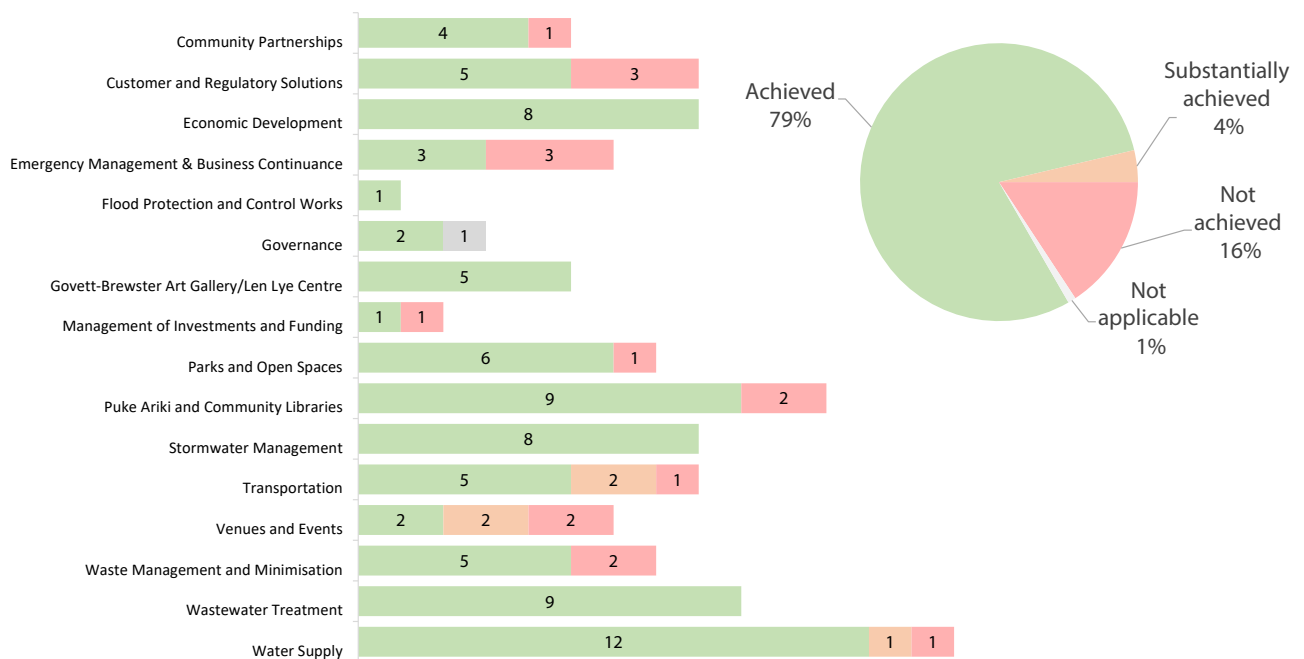
In addition to the 16 activity groups, the Council also carries out internal functions, such as financial management and property maintenance, but the costs of these are allocated over the 16 activities. This is because services such as financial management are 'inputs' into the Council's activities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

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

This year:

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

Performance measures



Achieved	Substantially achieved	Not achieved
Target has been met or exceeded	Target has not been met by a slim margin (-2%)	Target has not been met

Community satisfaction survey

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

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

In-house surveys

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

Our performance

Ō mātou whakaaturanga

Summarising our performance



Community Partnerships



We exceeded our targets for the percentage of residents satisfied with the Council's advice 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 (90 per cent achieved). This is because some community organisations were prevented from delivering their usual services due to Covid-19 disruptions.



Customer and Regulatory Solutions



We achieved our 100 per cent targets to respond to animal control emergency situations within two hours, to respond to official information requests within statutory timeframes and to inspect all businesses required to be licensed.

We met our target for the percentage of residents satisfied with animal control activities (90 per cent target) and for formal complaints to receive an interim reply or be resolved within five days (90 per cent).

We did not meet our 95 per cent target of known dogs registered (92 per cent).

We did not meet our 100 per cent targeted percentage of building applications processed within statutory timeframes (92 per cent), and percentage of non-notified resource consents processed within statutory timeframes (actual 80 per cent, target 100 per cent).

The decrease in compliance is a result of staffing levels within the Building Inspectorate Team who are responsible for processing Code Compliance Certificates.

There has been an increase in resource consents being processed and a high proportion of these have high complexity, in addition a review of the waivers and extensions able to be granted under s37 of the Resource Management Act is being undertaken.



Economic Development



We significantly exceeded our measures across economic development. We attracted or retained 13 events for the year (target four), the level of annual investment attracted for regional business was \$1.4m (target \$1m), the annual level of investment in the management capability of Taranaki's small and medium businesses was \$286,023 (target \$240,000), there were 8 initiatives to support investment into Taranaki (target 5) and there were 23 talent initiatives (target 2).

The number of engagements with visitor industry operatives was 1,706 (target 1,000) and there were 579 enterprise referrals and connections made by Venture Taranaki staff (target 200). Ninety-three per cent of clients were satisfied with Venture Taranaki's business support services (target >85 per cent).

Our performance

Ō mātou whakaaturanga



Emergency Management and Business Continuance



Three of the six targets were met – the emergency process and plans were reviewed and updated, the NPDC Emergency Operations Centre is fit for purpose and the four Civil Defence centres were identified, assessed and formalised with Memorandums of Understanding.

However, we did not meet the target of recruiting, training and maintaining 150 staff and volunteers capable of responding to an emergency (136 staff and volunteers). This was due to NPDC staff turnover and a reduction in community volunteer capacity.

We did not develop and implement an emergency exercise programme or establish a team that can deliver a community based emergency response capability. Covid-19 and a vacant position impacted the completion of the emergency exercise programme and we were required to shift focus from community resilience to organisational resilience and business continuity to ensure we were prepared for the Omicron outbreak.



Flood Protection and Control Works



We maintained our major flood protection and control works.



Governance



We achieved full compliance with statutory requirements for the long-term plan, annual report and availability of meeting agendas.



Govett-Brewster Art Gallery/Len Lye Centre



The number of visitor entries at the Gallery was 63,724, exceeding our revised target of 60,000. We have met our target for the percentage of residents satisfied with the service (actual 77 per cent, target 65 per cent).

We exceeded our target of number of exhibitions on offer with eight exhibitions (target seven). Ninety-three per cent of customers were satisfied with their overall experience at the Gallery (compared with a target of 82 per cent) and the annual number of audience engagement well exceeded the target of 50 (115 audience engagement events were achieved).



Management of Investments and Funding



We complied with debt level policy limits, but we did not meet the annual return target of (3.3 percent plus CPI plus management fees and costs) from the Perpetual Investment Fund (0.9 per cent achieved).

Our performance

Ō mātou whakaaturanga



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 (target 90 per cent) and 98 per cent of residents were satisfied with the quality of parks and reserves in the district (target 95 per cent). Community satisfaction with the quality of public toilets in the district was 87 per cent (target 80 per cent).

Ninety five percent of residents were satisfied with the quality of the districts sports parks (target 85 per cent) and the quality of the districts playgrounds (target 95 per cent). The percentage of households in the district that are within 500 metres of a park, reserve or neighbourhood open space is 84, exceeding the target of 80 per cent.

We did not meet our target for community satisfaction with the quality of the district's urban landscapes and streets (actual 92 per cent, target 95 per cent).



Puke Ariki and Community Libraries



We exceeded our measure of the average number of customers per week visiting Puke Ariki and community libraries with 9,588 per week (target 5,000). We provided free WiFi and access to online information using public computers and customer devices and 100 per cent of customers were satisfied with the i-SITE visitor information centre.

Library collections available to meet community needs was maintained at 3.3 items per capita (target of 3-3.5 items per capita) and targets for refreshing of permanent galleries (1), temporary exhibitions (2) and additional exhibitions per year (4) were all met. We provided five digital product/experiences and other digital platform exhibitions to the heritage collection (target 4).

The annual number of programmed learning opportunities target of 1,200 was not achieved (actual achieved 1,017) nor was the number of participants attending these programmes met (actual 20,079, target 29,000). However, the satisfaction with in-house programmes was 96 per cent (target 95 per cent).



Stormwater Management



We did not have any flooding events that impacted habitable floors, and therefore no habital floors were affected.

We received less complaints about the performance of the Council's stormwater system than our measure (5.56 complaints per 1,000 properties connected, target eight or less). The median time for responding to a flooding event was 0.61 hours, under the target of one hour. We did not receive any abatement notices, infringement notices, enforcement orders or convictions.

Our performance

Ō mātou whakaaturanga



Transportation



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

We did not achieved our target of average 'quality of ride' on the district's sealed local road network (actual 87 per cent , target 88 per cent). The satisfaction with the overall quality of the districts roads was under target at 62 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 above target at 7.7 per cent (target four 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 above target at 86 per cent (target 85 per cent).

The roading and footpath related service requests responded to within target timeframes slightly exceeded the target at 97 per cent (target 95 per cent).



Venues and Events



We did not meet our target of residents satisfied with the Council's swimming facilities (93 per cent, target 94 per cent).

We were behind on our target of number of pool patrons for the year, with 227,032 (target 390,000). We did not meet our target for people attending events, 170,665 people attended events (target 260,000). These targets were impacted by Covid-19 restrictions. We did deliver 1,001 events, one above our target of 1,000.

We were slightly below target for community satisfaction with Council events at 93 per cent (target 95 per cent), but 96 per cent of residents were satisfied with our event venues (target 93 per cent).



Waste Management and Minimisation



We did not meet our targeted one per cent reduction in landfill waste this year (two per cent increase) or the five per cent reduction in landfill waste generated per household (7 per cent increase). The Covid-19 lockdown likely contributed to the increase in household landfill waste.

The number of complaints received about the Council's solid waste services was 1.98 per 1,000 customers, just below our target of two or less per 1,000 customers.

We did not receive any abatement notices, infringement notices, enforcement orders or convictions.

Our performance

Ō mātou whakaaturanga



Wastewater Treatment



The number of dry weather sewerage overflows was 0.16 per 1,000 connections to the wastewater system (target 1.5 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 250mm diameter (2.49 hours, target four hours or less). There were no callouts for sewerage overflow for sewers greater than 250mm 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 8.37 per 1,000 connected properties, well under the measure of 13 or less.

We did not receive any abatement notices, infringement notices, enforcement orders or conviction.



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 (20 per cent, target 20 per cent or less).

We responded to our urgent and non-urgent callouts within their respective targeted timeframes and the resolution time for urgent and non-urgent callouts were well within their targets.

The total number of complaints received about our water supply service was 23.14 per 1,000 connections (target 16 or less). There was a high number of complaints due to water outages during water shutdown to repair third party damage in Inglewood, Westown, and main breaks in Brixton, Marfell and New Plymouth and two planned water shutdowns in Inglewood.

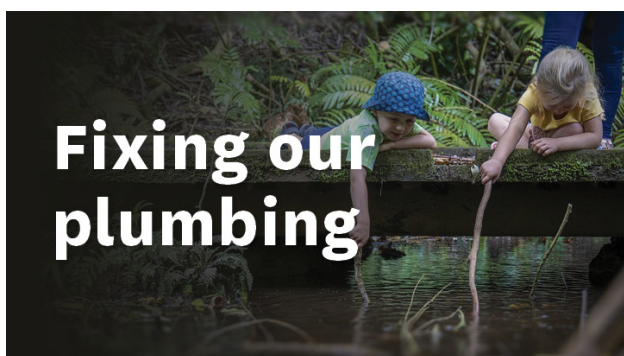
The average consumption of 304 litres of drinking water per day per residents was slightly above the target of 300 litres per day. No abatement notices, infringement notices, enforcement orders or convictions were received.

Delivering on our district's priorities

Te whakataki o ō mātou whakaarotau ā-rohe

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

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



Fixing our plumbing

Looking after our existing assets

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

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

Conserving your water

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

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

Improving stormwater management in Waitara

We have focussed on two projects this year.

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

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



Greening our place

Extending our tracks and trails network

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

Delivering on our district's priorities

Te whakataki o ō mātou whakaarotau ā-rohe

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

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

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

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

Rolling out our Climate Action Framework

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

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

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

Planting Our Place

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

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

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



Building a multi-sport hub

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

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

Financial summary

Whakarāpopototanga ā-pūtea

Overall results at a glance

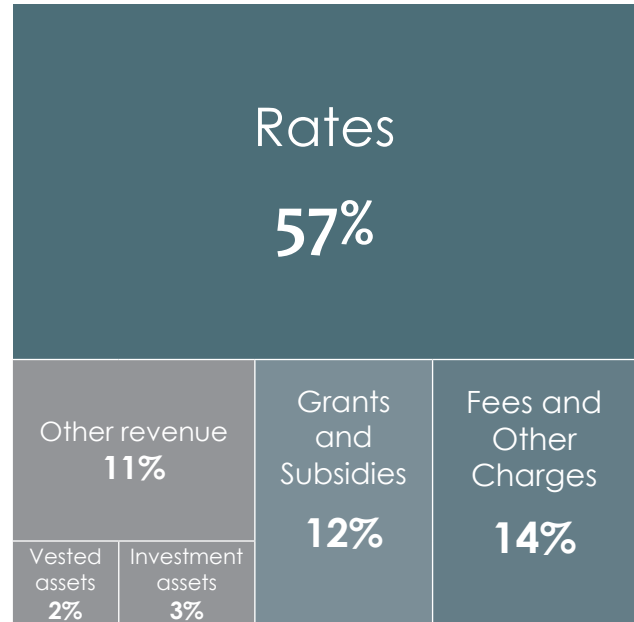
NPDC recorded a surplus for the year of \$5.4m compared to a budget surplus of \$25m. The primary drivers for this variance are the reduction in the Perpetual Investment Fund (PIF) investment gains during the year and the timing of receipting for subsidies and grants.

Operating revenue

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

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

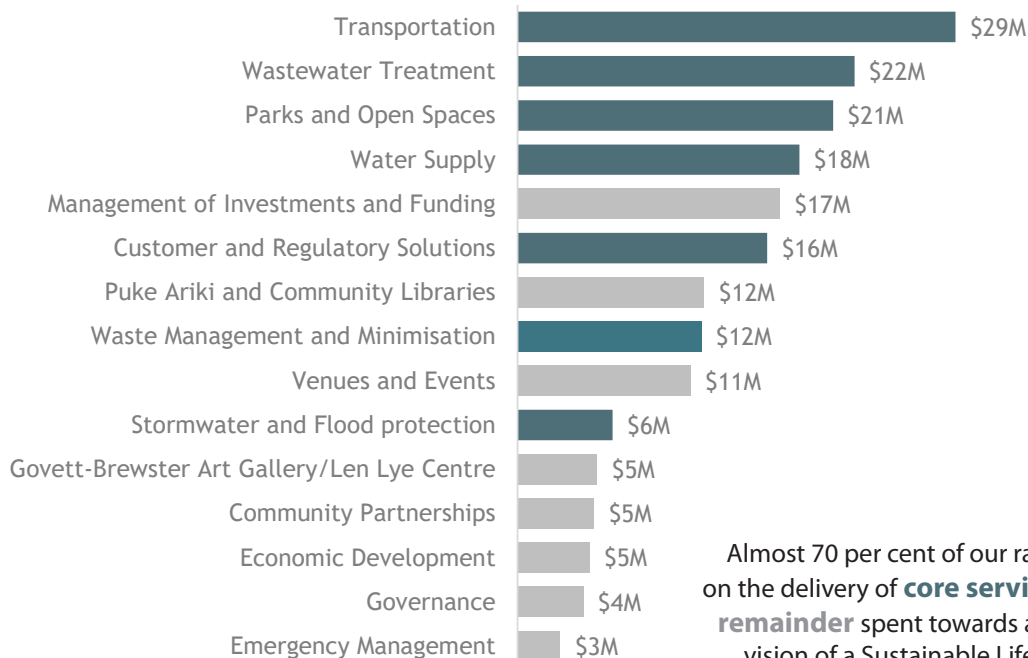
The residential median rate (including GST) was increased in line with our budget by 9.6 in 2021/22, whilst rising interest rates and volatile global investment markets have lower our PIF investment returns below budget by \$16m. The fund closed the year with a balance of \$339m after a release payment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



Operating expenditure

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

Operating expenditure by activity (in millions)



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

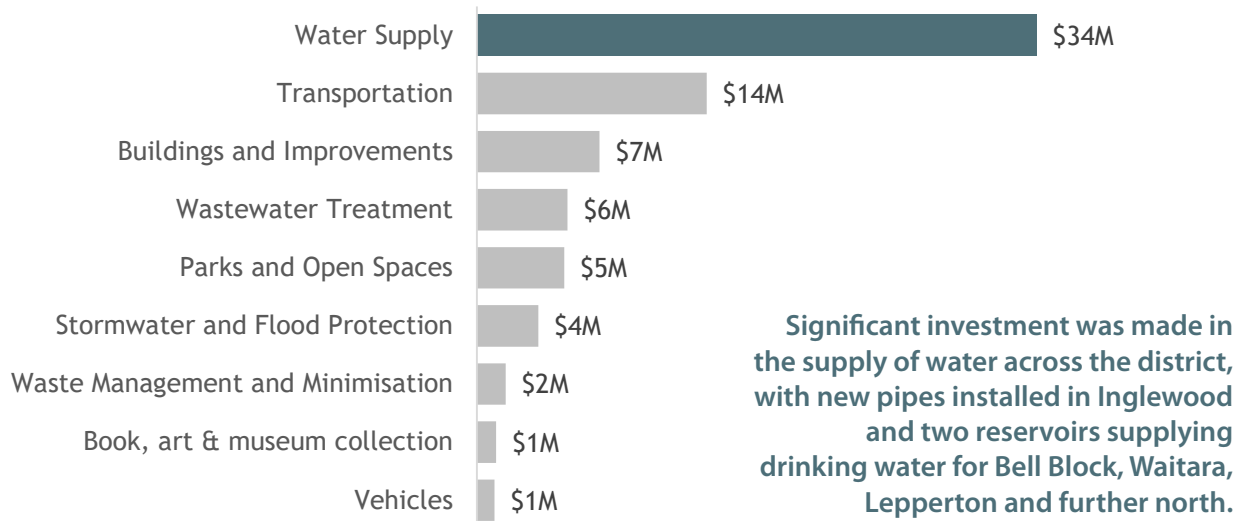
Financial summary

Whakarāpopototanga ā-pūtea

Capital expenditure

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

Capital expenditure by activity (in millions)



Borrowings

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

Council borrowings (in millions)



Financial summary

Whakarāpopototanga ā-pūtea

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

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

Summary Statement of Financial Position as at 30 June 2022

	COUNCIL			GROUP	
	2021/22 Actual \$'000	2021/22 Budget \$'000	2020/21 Actual Restated \$'000	2021/22 Actual \$'000	2020/21 Actual Restated \$'000
Current assets	308,564	344,630	370,813	310,082	370,885
Non-current assets	3,575,941	3,217,670	3,038,831	3,585,525	3,043,720
Total assets	3,884,505	3,562,300	3,409,644	3,895,607	3,414,605
Current liabilities	95,057	73,440	94,228	97,788	97,427
Non-current liabilities	162,704	205,120	179,003	164,672	179,003
Total liabilities	257,761	278,560	273,231	262,460	276,430
TOTAL EQUITY/NET ASSETS	3,626,744	3,283,740	3,136,413	3,633,147	3,138,175

Summary Statement of Changes in Net Assets/Equity for the year ended 30 June 2022

	COUNCIL			GROUP	
	2021/22 Actual \$'000	2021/22 Budget \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Equity at the beginning of the year	3,136,413	3,258,760	3,086,590	3,138,175	3,090,415
Total comprehensive revenue and expense	490,331	24,980	49,823	494,972	47,760
EQUITY AT THE END OF THE YEAR	3,626,744	3,283,740	3,136,413	3,633,147	3,138,175

Financial summary

Whakarāpopototanga ā-pūtea

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

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

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 14 March 2023. 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.

The 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 received an unmodified audit opinion on 14 March 2023.

Financial summary

Whakarāpopototanga ā-pūtea

Summary additional disclosures

Explanations for major budget variances from the Council budget figures in the Long-Term Plan 2021-2031 are shown in the table below. The table variances are from the detailed breakdown in note 2 of the full Annual Report.

Statement of Comprehensive Revenue and Expense

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

Statement of Financial Position

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

Financial summary

Whakarāpopototanga ā-pūtea

Contingent liabilities

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

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

Emissions Trading Scheme (ETS)

The Council has 235.9 hectares (2020/21: 235.9 hectares) of pre-1990 forest land determined under the Climate Change Response Act 2002 (CCR). Under the ETS, the Council will incur financial penalties should the land be deforested as defined by CCR. There was no harvest in 2021/22 (2020/21: 0.4 hectares) had been harvested but not yet replanted. There is a four year stand- down period allowed between harvest and replanting. The Council intends to replant and/or let that portion naturally regenerate and has not given notice of intention to deforest. The Council does not consider it has a contingent liability in relation to this matter.

Local Government Funding Agency (LGFA)

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

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

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

RiskPool

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

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

Financial summary

Whakarāpopototanga ā-pūtea

Event underwriting

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

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

Weather events

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

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

Contingent assets

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

Events occurring after the balance date

Three Waters Reform

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

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

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

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

Financial summary

Whakarāpopototanga ā-pūtea

Future for Local Government review

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

Resource Management Act replacement

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

Other matters

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

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

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

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 2022

The summary of the annual report was derived from the annual report of the New Plymouth District Council and group (the District Council and group) for the year ended 30 June 2022.

The summary of the annual report comprises the following information on pages 7 to 22:

- the summary statement of financial position as at 30 June 2022;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2022;
- 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.

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 an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2022 in our auditor's report dated 14 March 2023.

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the Government's three waters reform programme. The Water Services Entities Act 2022 received royal assent on 14 December 2022. The Act establishes four publicly owned water services entities to take over responsibilities for three waters service delivery and infrastructure from local authorities from 1 July 2024, or earlier by Order in Council. In December 2022, the Government introduced two additional water services Bills, one of which will enable the transfer of three waters related assets and liabilities to the water services entities. Until the Bills receive royal assent, the financial impact of the transfer on the District Council and Group remains uncertain. This matter is disclosed on page 21 of the summary financial statements.

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 Report

Pūrongo Kaiarotake Pūtea

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.

Other than in our capacity as auditor, we have no relationship with, or interests in the District Council and group.



Debbie Perera,
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand
14 April 2023



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