



Mountain to Sea
Te Kaunihara-a-Rohe o Ngāmotu
NEW PLYMOUTH
DISTRICT COUNCIL
newplymouthnz.com

10 YEAR PLAN

New Plymouth District's Long-Term Plan

2018-2028



Every three years the Council adopts a new Long-Term Plan. A Long-Term Plan is intended to set out a detailed budget for the next three years, and then an outline for the next seven years. It provides an integrated, long-term focus for decisions and activities for the whole Council. This document provides a basis for our accountability to our community. It describes what we do, and what we are trying to achieve.



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Mayor and Chief Executive's Message

Extending the Coastal Walkway from Bell Block to Waitara, new measures to improve our water resilience and going Zero Waste by 2040 are the focus of our plan for the next decade as we continue to build a Lifestyle Capital.

We have canvassed the community's views; during our public roadshows, on the streets, at hui, through various media and have received more than 4,000 submissions, a record for regional New Zealand. You told us:

- We care about our environment and want to see investments in quality water and waste water infrastructure to protect our way of life for future generations, reducing our impact on our land, rivers and sea.
- We want to work together to invest and change our behaviour to minimise the waste we produce.
- We love our reserves and our green spaces, they are critical to our way of life and we do not want to give them up.
- Our Perpetual Investment Fund is for current and future generations and shouldn't be used for short term gains.

The themes were around a commitment to the future. They were about wanting quality investments in sustainable infrastructure for current and future generations. That recreation forms part of our core identity as New Zealanders.

You demand value for rates but also shared that for many of us in Taranaki, things do not all boil down to money. However we are acutely aware some in our community are struggling financially. So we're pleased in terms of bottom-line rates, over the next three years the average residential ratepayer will see increases of: 2018 - 5.97 per cent, 2019 - 3.98 per cent and 2020 - 3.88 per cent. While we have to make a significant step up in some of our services in the first five years, our plan then provides greater stability into the future.

It includes investment on things that impact our everyday lives constantly and some of the many projects include:

- About \$6 million for community libraries.
- About \$5 million for Let's Go to boost road safety and improve infrastructure.

- About \$5 million for economic development including \$350,000 a year to implement the *Tapuae Roa: Make Way for Taranaki Strategy and Action Plan*.
- About \$5 million to improve Inglewood drinking water quality.
- About \$2 million to provide Coastal Walkway rail safety improvements.
- About \$484,000 to support delivery of the Pukeiti to Ōākura Kaitake trail.
- About \$290,000 for improved Marfell suburb road connections.
- About \$280,000 for new public toilets at Hickford Park and Marfell playground.
- About \$200,000 to revamp the Bellringer Pavilion changing rooms in Pukekura Park.
- About \$60,000 for improvements to the East End skate park.
- Completion of the Mangorei Road car park to support the Pouakai Crossing.

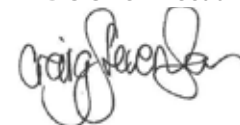
We sparked a real conversation, one that tapped into the essence of what it means to live here. A conversation that engaged our mainstream to participate and clearly tell us what our people really care about. Vigorous debate is healthy and together we make better decisions. Please do not stop the conversation now because if we really want to move this community forward, we need to keep talking.



NEIL HOLDOM
New Plymouth Mayor



CRAIG STEVENSON
NPDC Chief Executive



Who We Are

OUR COUNCIL



MAYOR NEIL HOLDOM
New Plymouth District



RICHARD JORDAN
Deputy Mayor



SHAUN BIESIEK



GORDON BROWN



MURRAY CHONG



HARRY DUYNHOVEN



RICHARD HANDLEY



STACEY HITCHCOCK



COLIN JOHNSTON



JOHN MCLEOD



ALAN MELODY



MIKE MERRICK



MARIE PEARCE



ROY WEAVER



JOHN WILLIAMS

OUR COMMUNITY BOARD MEMBERS

Clifton Community Board

Ken Bedford (Chairperson)
John McLean
Warren Petersen
Pam Street

Kaitake Community Board

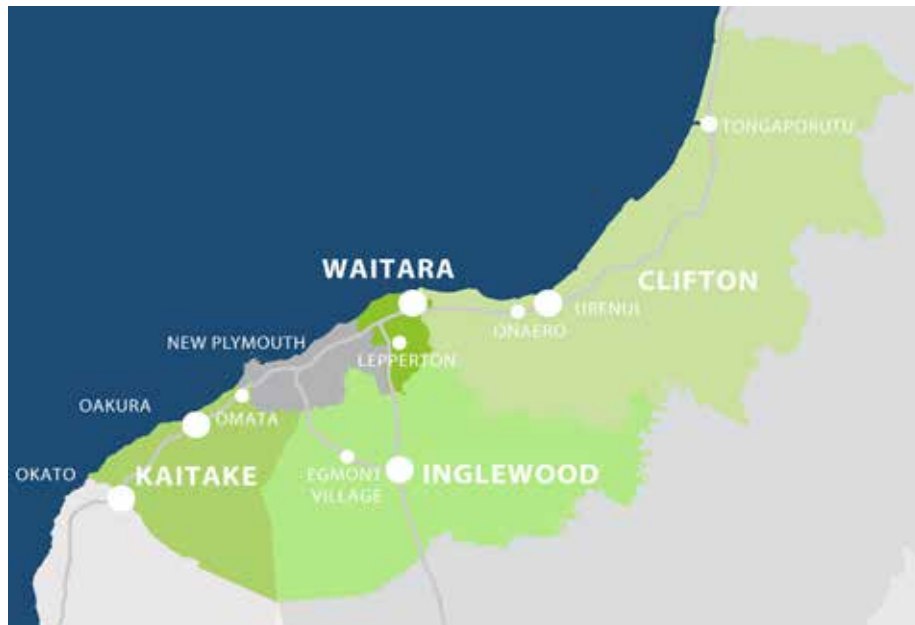
Doug Hislop (Chairperson)
Graham Chard
Paul Coxhead
Mike Pillette

Inglewood Community Board

Karen Moratti (Chairperson)
Jenny Bunn
Mel Cook
Kevin Rowan

Waitara Community Board

Andrew Larsen (Chairperson)
Trevor Dodunski
Jonathan Marshall
Joe Rauner



OUR EXECUTIVE TEAM

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



CRAIG STEVENSON
Chief Executive



JACQUELINE BAKER
External Relations and
Communications Manager



ALAN BIRD
Chief Financial Officer



LIAM HODGETTS
Group Manager Strategy



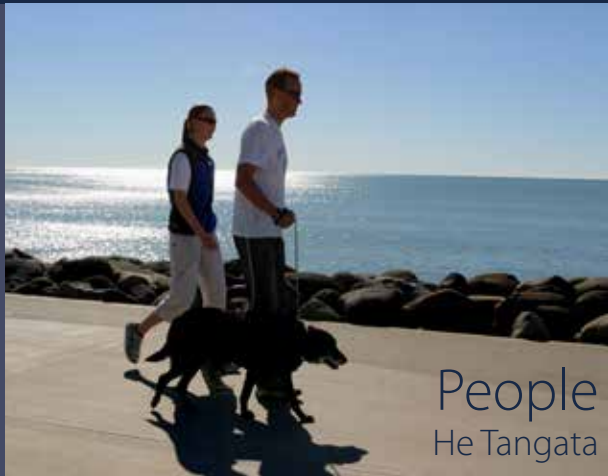
ANDREA SMITH
Group Manager
Organisational
Development



KELVIN WRIGHT
Chief Operating Officer

OUR STRATEGIC FRAMEWORK | BUILDING A LIFESTYLE CAPITAL

He Whakatūtū Haupū Rawa Hei Āhua Noho



Putting people first
Aroha ki te Tangata



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



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

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



COMMUNITIES
Ngā Hapori Whānui



ENVIRONMENT
Te Taiao



GROWTH
Te Whakatipuranga



TALENT
*He Tangata
Pūmanawa*



CITIZENS
Ngā Kirirarau



DESTINATION
Te Wāhi Mutunga



CENTRAL CITY
Te Pokapū Tāone



INDUSTRY
Te Rāngai Ahumahi

10-Year Investment Programme

Where we are heading as a community

The New Plymouth District will change considerably over the next 10 years. Our population is growing. We have seen sustained growth over the last 10 years of 800 to 1,000 people per year and Central Government has recognised the district as one of 13 high growth councils in the country. By 2028 we expect to have another 9,000 people calling our district home. This will require around 3,700 new dwellings. At the same time, our population is ageing, with around one-quarter of residents 65 years or older by 2028, up from 18 per cent today.

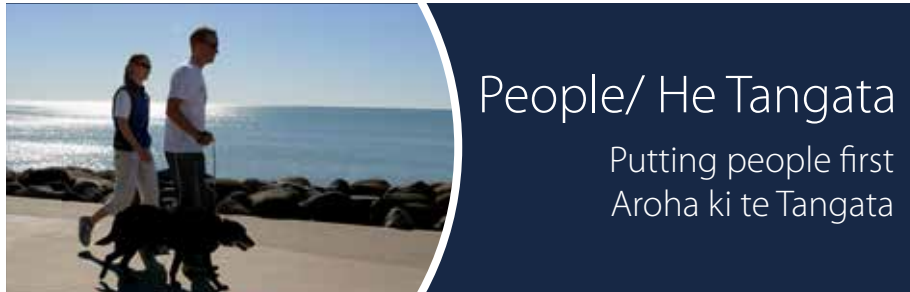
We have seen an significant growth in tourism over the last three years registering growth year on year that is higher than the national average. While there is uncertainty around the future of the oil and gas sector, we expect tourism to continue to grow by almost five per cent more guest nights each year. As a result we expect that our economy will grow broadly in line with the national average, although with year-to-year variations.

Climate change, and the hazards and weather extremes that come with it, will continue to pose challenges for our communities and the infrastructure that supports them. Resilience planning and infrastructure investment over the next 10 years will provide us with the opportunity to lay the foundations for our future responses to climate change related events.

The Council's vision for this Long-Term Plan (LTP) 2018-2028 is for the Council, together with the community, to be Building a Lifestyle Capital/He Whakatūtū Haupū Rawa Hei Āhua Noho. This vision and its associated community outcomes, support our 30-year vision encapsulated in the District Blueprint.

In order to drive this vision into everything we do, we've adopted three community outcomes.





People/ He Tangata

Putting people first
Aroha ki te Tangata

We're here to support our community and put them first. We're people friendly, focussed on excellent customer service and having real time conversations. People are our priority.

The following activities strongly contribute to *People/He Tangata*:

- Stormwater Management through protecting people's lives and property.
- Flood Protection and Control Works through protecting people's lives and property.
- Emergency Management and Business Continuity through protecting people's lives and property.
- Community Partnerships through building a strong and connected community.
- Govett-Brewster Art Gallery/Len Lye Centre through having a contemporary art museum that is a major tourist attraction and provider of diverse and rich cultural experiences for our community.
- Puke Ariki and Community Libraries through building knowledge and learning opportunities in our city, villages and towns.
- Venues and Events through providing a range of leisure and recreation opportunities, as well as community events and venues.
- Customer and Regulatory Solutions through our customer service channels, protecting communities by managing our local laws and regulations from social harms such as alcohol and gambling, and protecting people through other regulatory functions.

- Governance through providing our democratic system of governance.

The following activities also make an important contribution to People/He Tangata:

- Parks and Open Spaces.
- Transportation.
- Waste Management and Minimisation.
- Water Supply.
- Wastewater Treatment.
- Management of Investments and Funding.

In order to put people first, we have some key investments.

We are investing into our emergency management capabilities. This follows a review of the Taranaki civil defence structure. We are building our capacity to respond to significant local events, including building capacity within our local communities.

We are also investing in our community partnerships. This includes increased investment in funding community organisations and investing in a new youth engagement service.

We are investing in upgrades to stormwater in Waitara and the Mangaotuku catchment. This budget will be used to invest in a range of solutions, specific to each street that currently has problems. These may not be traditional kerb and channelling approaches to stormwater, as these might not provide the best solution for each street. We are also undertaking investigations throughout the rest of our urban areas to highlight where else further investment may be needed.

We have a wide range of investments to be people-friendly, such as new toilets at Hickford Park and Marfell playground, safety improvements along the Coastal Walkway's railway crossings and to upgrade the Ōākura Water Treatment Plant.

We are going to develop a new district library strategy with investment in its infrastructure that will keep them modern and fit for purpose in the 21st century.



Place/Tiakina

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

Our place is a beautiful natural landscape and we want to protect it for future generations. We value biodiversity and have a strong focus on sustainability. Our people love to be active and enjoy an outdoors lifestyle.

The following activities strongly contribute to Place/Tiakina:

- Parks and Open Space through managing natural areas in parks and reserves.
- Wastewater Treatment through ensuring the proper and safe disposal of wastewater.
- Waste Management and Minimisation through kerbside collection, promotion of recycling and the proper and safe disposal of waste.

The following activities also make an important contribution to Place/Tiakina:

- Stormwater Management.
- Flood Protection and Control Works.
- Water Supply.
- Venues and Events.
- Customer and Regulatory Solutions.
- Management of Investments and Funding.

We are investing in a range of initiatives to care for our place.

We will continue to invest in our natural landscape through our parks budgets. This includes increased investments in parks throughout the district, as well as more investment into Pukekura Park.

We are investing in improving our wastewater network to minimise negative environmental effects. This includes improving our pump station overflow protections and eliminating our emergency use of the Waitara marine outfall.

One of our major investments in this LTP is towards our Zero Waste goal. We will significantly improve our kerbside collection service by providing a weekly food waste collection and replacing rubbish bags with bins. We will also invest in a new resource recovery facility, a commercial/industrial recovery facility, upgrades to transfer stations, and new community leadership programmes.

We are also focused on sustainability on our water network. This includes installing water meters across all properties in year's four to six of the Plan. This is expected to reduce peak water consumption by around 25 per cent.

Another one of our major projects will be extending the Coastal Walkway to Waitara. We've set aside \$8.5m to complete this work, and will need to work with the community (particularly Puketapu hapū and land owners) on the route. We will also begin planning and acquiring land to develop the Taranaki Traverse "Maunga to Surf" route along the Waiwhakaiho River. We are also investing in walking and cycling improvements (including footpath upgrades) throughout the district, as well as improvements to parks across the district.



Prosperity/Āwhina

Supporting a prosperous
community

Awahi mai, Awahi atu,
tātou katoa

We support a vibrant economy. We invest in resilient infrastructure, amenities and services, to support industry and development. It's easy to do business here.

The following activities strongly contribute to Prosperity/Āwhina:

- Transportation through providing the infrastructure for people and goods to move throughout the district.
- Water Supply through the provision of water for residents and businesses.
- Venues and Events through providing high quality venues for entertainment and other activities.
- Customer and Regulatory Solutions through resource and building consent processes and regulation.
- Economic Development through supporting businesses to grow.

The following activities also make an important contribution to Prosperity/Āwhina:

- Parks and Open Spaces.
- Stormwater Management.
- Flood Protection and Control Works.
- Waste Management and Minimisation.
- Wastewater Treatment.
- Emergency Management and Business Continuance.
- Govett-Brewster Art Gallery/Len Lye Centre.
- Puke Ariki and Community Libraries.
- Management of Investments and Funding.

To support a prosperous community we will invest in both our economic development service and infrastructure and services that businesses rely on.

We have adopted the *Tapuae Roa: Make Way for Taranaki Strategy and Action Plan* as our economic development strategy. We are investing additional funding to support and deliver this important work.

The Council is also improving the visitor experience at the Festival of Lights and the Govett-Brewster Art Gallery/Len Lye Centre. Both of these cultural and tourist icons provide significant economic return as well as contributing to our lifestyle and making our community a great place to live.

New Plymouth CBD is our economic hub, but it is facing increased competition and requires investment to ensure it is a vibrant, attractive place to work and shop. We are providing annual support for more events in the CBD and we have earmarked \$2.3m in capital expenditure for CBD improvements over years four to 10, with planning work over the next three years.

This Plan includes a major programme to improve the resilience of our water and wastewater infrastructure. This programme includes both upgrades to our network as well as improvements to our maintenance regime. This includes duplicating large pipes, additional water reservoirs, improvements to pump stations and more back-up spare parts.

We're also beginning to respond to climate change through a range of activities. This includes replacing stormwater pipes with increased pipe sizes on renewal and encouraging 'water sensitive design' in new subdivisions.

This Plan encourages growth in those areas where there is existing infrastructure, or where it is relatively easy and inexpensive to extend that infrastructure and provide services. As a result, our priority is to ensure the capacity of the district's network wide infrastructure is maximised and utilised through promoting infill and green field development.

Over the next 10 years we have included \$207m of capital expenditure on our infrastructure and reserves to ensure we have enough serviced land available for residential and commercial development. Most of this expenditure (52 per cent) is to be recovered through development contributions with the remaining to be recovered through other funding sources.

30-Year District Blueprint

This 10-year investment programme reflects how this Council intends to support the 30-year vision for the future of New Plymouth District. This 30-year vision is set through the District Blueprint, a spatial plan to outline and direct the Council whilst acknowledging that each term of the Council will have its own different emphasis and vision. The Blueprint has eight key directions.



COMMUNITIES/ Ngā Hapori Whānui
Strengthen and connect local communities

New Plymouth District is made up of many communities and neighbourhood centres. Strengthening and connecting local communities ensures that they become successful, safe and liveable environments for residents. The Council's role is to support community, business and industry initiatives by providing high-quality public infrastructure and a pragmatic regulatory response that helps our community achieve their goals.



ENVIRONMENT/ Te Taiao
Enhance the natural environment with biodiversity links and clear waterways

The district is home to a unique natural environment with significant areas of indigenous vegetation, and rivers and waterways that flow from the mountain to the sea. Enhanced biodiversity will not only be positive for the natural environment and clean water but will also have significant cultural and economic spin-offs. Biodiversity outcomes will be achieved through collaborating with landowners and agencies – a multi-agency approach is required to achieve the desired environmental outcomes.



GROWTH/ Te Whakatipuranga
Cohesive growth that strengthens the city and smaller settlements

Our district is growing and we need to consider how we provide for growth into the future. As a result of the anticipated population growth, new growth areas will be required in the city and towns to provide for additional dwellings during the next 30 years. Determining the appropriate locations for growth will contribute to all the community outcomes. The Council needs to be clear on how and where it will accommodate growth into the future, through providing adequate land supply and planning for network infrastructure in appropriate locations.



TALENT/ He Tangata Pūmanawa
Attract entrepreneurs, talented workers and visitors

The New Plymouth District economy is strong, supported by agricultural economies, oil and gas and small business. There is a need to focus on growing a more diverse economy based on our ability to attract and retain talented workers, entrepreneurs and visitors. The Council has a role in ensuring that the highly-regarded Taranaki lifestyle is maintained, supported by our unique landscape, recreation opportunities, rich culture and history.



CITIZENS/ Ngā Kirirarau
Enable engaged and resilient citizens

Engaging and enabling citizens will help to build community resilience. Encouraging community participation in events that are run in our parks and places will promote community connectedness and overall well-being. It is the Council's role to build strong strategic partnerships and encourage public and community sector collaboration, leading to more sustainable social, economic and environmental outcomes.



DESTINATION/ Te Wāhi Mutunga
Become a world class destination

Our natural assets – our parks, rivers, coast and Maunga Taranaki – are what make the district a unique and special place to live and visit. A 'flagship' initiative to lead this direction is the Taranaki Traverse – a world-class recreational, environmental and cultural tourism experience. This is a long-term initiative that will require time, focus and a collaborative, multi-agency approach.



CENTRAL CITY/ Te Pokapū Tāone
Champion a thriving Central City for all

The central city of New Plymouth is the social, cultural and business hub for the district and the wider region. However, retail in the central city is facing a challenging transition in the face of new format retail experiences and online retail sales. The central area will need to deliver a diversity of speciality retail, entertainment, cultural and social experiences. The Council has a role in working with business and other stakeholders to develop a strategic approach to drive the success of the central business area.



INDUSTRY/ Te Rāngai Ahumahi
Strengthen the rural economy, industry, the port and the airport

Our economy has a strong agricultural base and a nationally significant oil and gas sector. It also has a fast-growing poultry sector with significant expansion likely in the short term. Protecting and strengthening these industries will be important for ongoing economic growth and the subsequent benefits for the community. The Council's role is through its funding of economic development initiatives (Venture Taranaki Trust) to help drive economic activity in the region. The Council can also support industry through appropriate infrastructure provision and a pragmatic solutions-focused District Plan and regulatory framework.

How the Community Shaped this Plan

The Council has been building this LTP for over 18 months. The Top Ten Focus Area conversations occurred from April to August 2017 with 3,800 surveys completed. These helped inform the development of the proposed LTP. Consultation on the proposed LTP received 4,114 submissions from 6 April through to 9 May, as well as a further 130 submissions on the concurrent consultation on the financial policies. One hundred and forty-eight people presented in person to the Council over three days from 28 to 30 May. The Council deliberated and made the following decisions on 6 June:

- Improve the resilience of our water infrastructure by investing \$27.3m in capital expenditure and \$17.2m in operating expenditure.
- Fund the Council's Waste Management and Minimisation Plan towards Zero Waste by investing \$21.2m.
- Provide funding of \$4.5m to extend the Coastal Walkway to Waitara.
- Improve rail crossing safety across the Coastal Walkway.
- Provide new funding for a public toilet and a road connection in the suburb of Marfell.
- Provide new funding for pathway connections to parks in Inglewood.

They also decided to:

- Remove the proposal to develop and sell Peringa Park Recreation Reserve to partially fund flagship projects.
- Remove the TSB Stadium redevelopment and the option to redevelop the Todd Energy Aquatic Centre.
- Reduce the additional investment proposed for the Govett-Brewster Art Gallery/Len Lye Centre.

The Council also proposed to make changes to the distribution of rates within the community. They continued with the proposal to increase the proportion of rates paid by small holding property owners. However, they reduced the size of the increase and the annual increase over a three year transition.

The Council will continue to seek the community's views in the coming years on the approved projects.

Decision-making Process



Significance and Engagement Policy

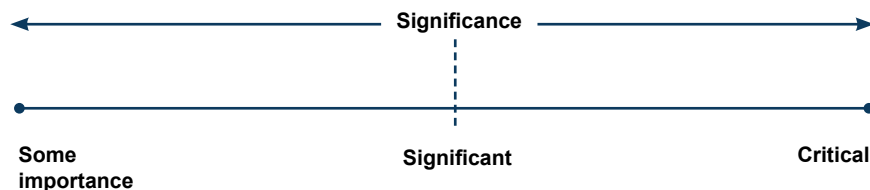
PURPOSE

The purpose of this policy is to set out how the Council will identify the significance of an issue, proposal, decision or other matter in order to inform how, when and to what extent the Council will engage with the community in its decision-making processes.

POLICY STATEMENTS

Assessment of significance

1. "Significance" is defined by the Local Government Act 2002 as:
in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for:
 - a) the district or region;
 - b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter;
 - c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
2. The Council considers significance on a scale that ranges from of some importance to critical. A 'significant' decision has a high degree of significance.



3. The Council will consider the criteria in Schedule 1 when assessing the degree of significance of an issue, proposal, decision or other matter.

Assessment of whether to undertake engagement

4. As a minimum level of engagement, the Council will 'inform' the community on all issues, proposals, or other matters requiring a decision by the Council, unless there are applicable grounds to withhold information under the Local Government Official Information and Meetings Act 1987.
5. The greater the significance of an issue, proposal, decision or other matter, the more likely it is that seeking community input into the Council's decision-making processes will be appropriate. The Council will generally provide opportunities for individuals and communities to engage in the matter proportional to the assessed significance of the matter. Ultimately, determining whether or not to undertake any engagement will be carried out on a case-by-case basis, considering all of the particular circumstances.

Māori engagement

6. The Council is committed to providing opportunities for Māori to contribute to its decision-making processes in a meaningful way.
7. The Council will engage with Māori where any matter involves a significant decision in relation to land or a body of water to ensure that the relationship of Māori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga is considered.
8. The Council will consider specifically engaging with Māori on other issues as they arise.

Assessment of method of seeking community input into decision-making

9. There may be situations when seeking community input into decision-making may be impractical, inappropriate, or unnecessary. These may include, but are not limited to:
 - An issue, proposal, decision or other matter the significance is assessed as being of some importance.

- The Council considers that it has sufficient existing and up to date information to enable it to understand the views and preferences of interested and affected persons on the matter.
 - The situation requires urgent decisions and there is insufficient time to engage the community.
 - The matter is of an administrative nature.
 - The Council is advocating a position, or submitting to, another organisation and the Council is not the ultimate decision-maker.
 - The nature of the decision is highly technical or specialist and is not amenable to community engagement (such as complex financial issues addressed in a liability management or investment policy).
 - The matter before the Council is confidential (such as due to it involving third parties' commercially sensitive information) and not suited to community engagement (such as evaluating tenders).
10. Where the Council determines that it is appropriate to seek the views of the community in its decision-making process, the level of engagement will be determined by considering the Engagement Guide in Schedule 2.
 11. Different types of engagement may be required for different stages of the decision-making process for an issue, proposal, decision or other matter.
 12. The Council will consider any known preferences of the affected part or parts of the community in relation to the issue, proposal, decision or other matter in determining its method of engagement.
 13. The Council is required by legislation to carry out engagement on some matters using specific procedures or processes, regardless of the significance assessment. The Council will follow these procedures and processes in those instances.
 14. For all other matters requiring a decision by the Council, including decisions made under delegated authority, the type of engagement will be determined on a case by case basis to ensure the most appropriate engagement is used.

Strategic assets

15. The Council's strategic assets are listed in Schedule 3 of this policy.
16. Section 97 of the Local Government Act provides that, unless the decision is explicitly provided for in the Long-Term Plan (and was included in the Consultation Document), the Council may not transfer the ownership or control of a strategic asset to or from the Council.
17. The Council will take a group or whole of asset approach to network strategic assets. Decisions that involve the transfer of ownership or control of a single element of a network where the remaining assets of the network enable the Council to still meet its strategic outcomes (including levels of service as stated in the Long-Term Plan) will not, on their own, be regarded as a strategic asset.

Long-Term Plan and Annual Plan consultation

18. The Council will consult on the Long-Term Plan by using a consultation document that identifies the significant issues facing the Council and key decisions and choices. The Council may undertake other engagement before issuing its consultation document to seek community views and preferences on some matters.
19. The Council is required to consult on an Annual Plan only if the Council proposes to include significant or material differences in that Annual Plan from the relevant financial year of the Long-Term Plan. The Council will consider whether differences are significant or material as follows:
 - it will determine if differences are "significant" by using the significance assessment in this policy; and
 - it will determine if differences are "material" using the generally accepted accounting practice definition for "material".

The Council will, as a minimum, consult using a consultation document on these significant and/or material variations but may, at its discretion, determine to consult on other changes to the Annual Plan that do not meet these thresholds.

Significance and Engagement Policy

Procedure for identification of significance and engagement

20. Council staff, or other professional advisers, will provide advice on significance and engagement using the following process:
 - Identify the issue, proposal, decision or other matter requiring a Council decision.
 - Assess whether there are particular legal obligations to engage or consult with the community (including whether the issue, proposal, decision or other matter involves a decision to transfer the ownership or control of a strategic asset to or from the Council).
 - Consider the matters in Schedule 1 to assess the significance of the issue, proposal, decision or other matter.
 - Determine whether engagement with the community, or particular individuals or groups, is appropriate.
 - Where some form of engagement is appropriate, determine the appropriate form and type of engagement (using Schedule 2 or by complying with particular legislative requirements).
21. Council officers (or other professional advisers) will provide advice on significance and engagement. Such advice will, in normal circumstances, come via the Council report format which alerts elected members to the significance of the issue, proposal, decision or other matter and the proposed form and type of engagement.
22. The Council will consider the advice in making a decision on the level of significance and the appropriate form and type of engagement, but is not necessarily bound to follow such advice.

SCHEDULE 1: Criteria for assessment of significance

In assessing an issue, proposal, decision or other matter requiring a Council decision, the following criteria will be used to assess its significance:

- Does the matter impact on the interests of the district and the community?
- Does the matter impact on the relationship of Māori (including their culture and traditions) with their ancestral land, water, sites, waahi tapu, valued flora and fauna and other taonga?
- How many people are affected by the matter, to what degree are they affected, and what is the likely impact on those people?
- Does the matter impact on the Council's statutory purpose, obligations, duties and requirements?
- Does the matter impact on levels of service as stated in the Council's Long-Term Plan (LTP)?
- Does the matter have financial costs for the community and the Council?
- Is the matter reversible (in part or in full) in the future?
- Does the matter align with previous Council decisions, such as whether it is implementing any adopted strategy, plan or position?
- Has the matter previously generated wide public interest or controversy within the district or particular communities?

If an issue, proposal, decision or other matter has substantial impacts and consequences for several of the above considerations it is likely to have a higher level of significance.

SCHEDULE 2: Engagement guide

The following table provides an example of the differing types of engagement that might be considered appropriate, the tools and techniques that can be used for each type and the timing of the engagement generally associated with each type. Every issue, proposal, decision or other matter is assessed on a case-by-case basis, having regard to its significance, the subject matter and relevant stakeholders, in determining the most appropriate form of engagement.

Level	Inform	Consult	Involve	Collaborate	Empower
Goal	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision-making in the hands of the public.
Example Engagement	Water restrictions Council news	Rates review Policy review	New Plymouth District Plan	New Plymouth District Coastal Strategy	Election voting systems (STV or first past the post)
Tools and techniques the Council might use	Websites Letter/information flyer Fact sheets Public notices Newspapers	Public meetings Formal submissions and hearings Online/social media Focus groups Surveys	Workshops Focus groups Citizens panel Face to face	Advisory committees External stakeholder groups	Local body elections Binding referenda
When the community can expect to be involved	The community would generally be advised once a decision is made.	The community would be advised once a draft decision is made and would have the opportunity to participate and respond during a period of consultation.	The community would have a greater lead in time to be involved in the process.	The community would generally be involved at the following stages: <ul style="list-style-type: none"> • At the start to scope the issue. • After information has been collected. • When options are being considered. 	The community would generally have a greater lead in time to be engaged in the process.

Significance and Engagement Policy

SCHEDULE 3: Strategic assets

The following assets are considered to be the strategic assets of New Plymouth District Council:

- Govett-Brewster Art Gallery and Len Lye Centre.
- Housing for the elderly network.
- The equity securities held in Papa Rererangi i Puketapu Limited.
- Pukekura Park and the Coastal Walkway.
- Parks and reserves network.
- Puke Ariki and community libraries (Bell Block, Inglewood, Ōākura, Urenui and Waitara).
- TSB Stadium, TSB Bowl of Brooklands, TSB Showplace, Yarrow Stadium (the aspects of the Stadium's operations under the Council's control).
- Todd Energy Aquatic Centre and the district's summer pools (Waitara, Inglewood, Okato and Fitzroy).
- Road and footpath network.
- Solid waste infrastructure.
- Stormwater network, drainage, flood protection and control works.
- Water supply network and treatment.
- Wastewater network and treatment.



Māori Contribution to Decision-Making

Section 81 of the Local Government Act, 2002 requires the Council to provide opportunities for Māori to participate in Council decision-making. It also requires us to consider ways we can foster the development of Māori capacity to contribute to Council's decision-making. This section explains how we support these requirements.

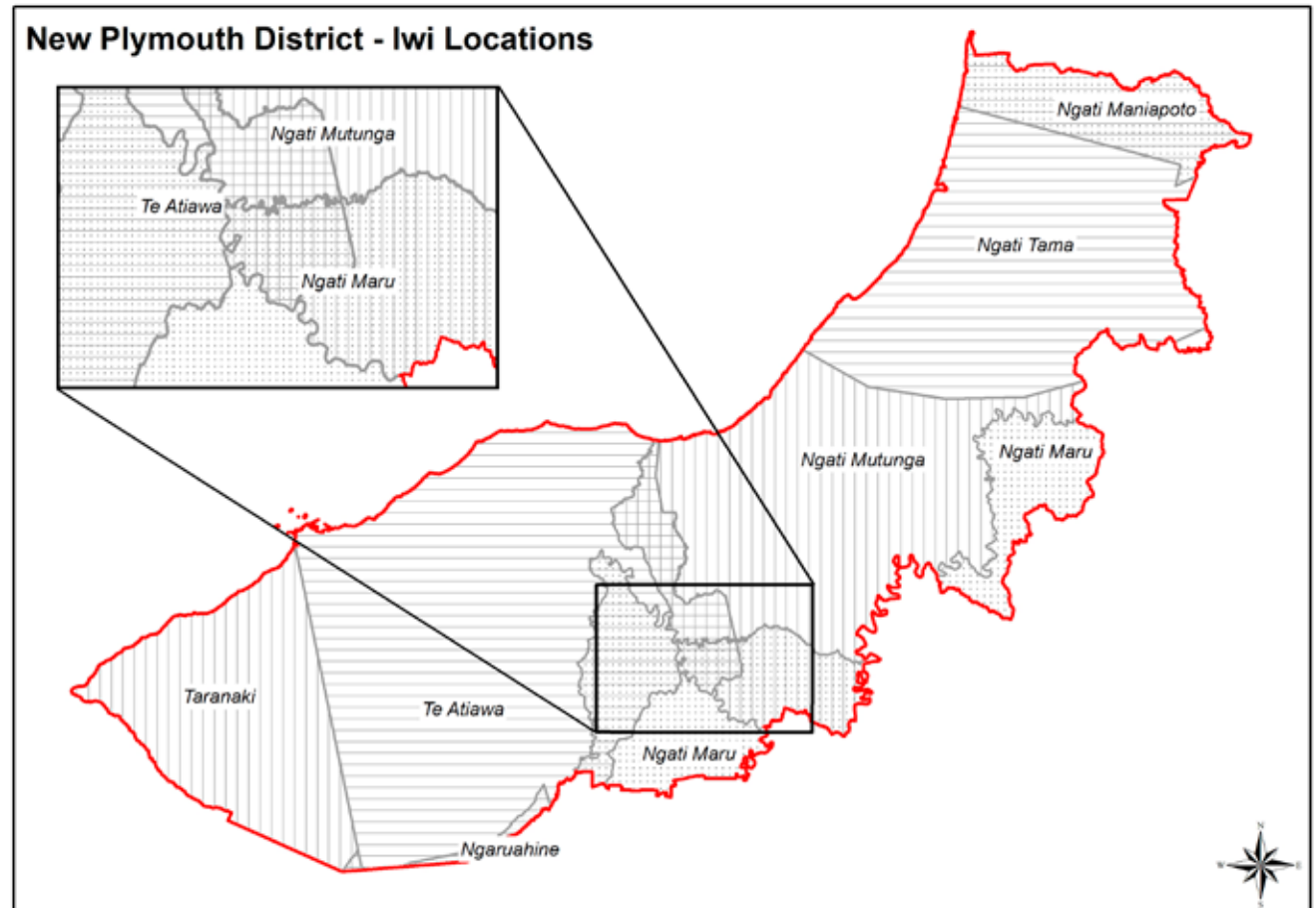
TANGATA WHENUA

The Council acknowledges the following six iwi as tangata whenua within the New Plymouth District.

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

Within the six iwi, we also recognise a further 11 hapū groupings.

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



Māori Contribution to Decision-Making

STRATEGIC DIRECTION

The vision for this LTP is for the Council, together with the community, to be *He Whakatūtū Haupū Rawa Hei Āhua Noho/Building a Lifestyle Capital*. The community outcomes and guiding principles that support this vision are *He Tangata/People*, *Tiakina/Place* and *Āwhina/Prosperity*.

Together with strong, open and transparent relationships, these community outcomes and guiding principles will assist us to identify further opportunities for Māori to participate in, as well as support the development of Māori capacity to contribute to Council decision-making.

We already have in place a number of strategic and operational commitments, which align to these principles.

Moving forward, the Council will continue to build on existing commitments like internal cultural capacity and capability building, and strengthening relationships with iwi and hapū. A summary of next steps is shown in the table at the back of this section.



Council staff working alongside tangata whenua

To enhance effective engagement of Māori in decision-making, we have committed staff and other resources to support, advocate on behalf of, and guide the Council's interactions with Māori.

To further strengthen capacity, we intend to build the cultural competency of our staff. This includes building staff capability in basic te reo Māori (language) and tikanga (practices) and developing staff knowledge and understanding of Māori concepts, values, histories and experiences. It also includes enhancing staff confidence and skills in engaging with Māori to establish and manage effective relationships.

Significance and Engagement Policy

Our Significance and Engagement Policy sets out how we engage with tangata whenua on issues that are likely to affect them, or on issues where they have a clearly identified interest.

As part of operations, we regularly engage with tangata whenua in areas such as the Long-Term Plan, the District Plan, the Coastal Strategy, the Annual Plan, roading, heritage, walkways, reserves, and regulatory and environmental management.

We also have future plans to measure and monitor how well we are engaging with tangata whenua at both the strategic and operational levels.

Puke Ariki Kaumātua Committee

Te Kaumātua Kaunihera o ngā Whare Taonga o Puke Ariki was established in 2004. Made up of kaumātua (elders) from around Taranaki, the committee advises Puke Ariki on issues regarding Māori, the taonga Māori collection, and tikanga. The Kaunihera meets monthly and is open to kaumātua from all of Taranaki. While providing expert cultural advice, exploring further relationships with iwi may identify opportunities to better align the Puke Ariki experience to their aspirations.

Puke Ariki Refresh Plan 2015

Puke Ariki's mission statement is to inspire creativity and enrich lives by promoting the heritage of Taranaki and connecting local people and visitors to new ideas, and other cultures from around the world.

The Puke Ariki Refresh Plan 2015 ensures that the museum's acquisition, care, storage and display of its collections plan aligns to its mission statement. It also ensures Puke Ariki contributes to the Council's Community Outcomes.

Puke Ariki consults with the appropriate Māori community when making decisions regarding a particular taonga or group of taonga. As principle hub for the district's heritage, arts and culture, Puke Ariki will continue to ensure Māori involvement in the management of its cultural collection.

Exhibitions

Puke Ariki's long-term gallery exhibition, Te Takapou Whāriki o Taranaki is a major project telling the story of iwi from around Mount Taranaki. As stories are developed, it will be important that the exhibition is refreshed, and that iwi have an opportunity to engage with Puke Ariki to ensure displays meet their needs.



Ngā Kaitiaki

Every 10 years we review and prepare our District Plan. To assist with this process, and to ensure input from tangata whenua, we have established a working group, Ngā Kaitiaki. Made up of mandated iwi and hapū representatives, the role of this working group is to review the District Plan from a te ao Māori (Māori worldview) perspective.

We also engage an independent planner to provide technical planning support. As a result of this collaboration we have incorporated, where relevant, a Māori perspective into the Draft District Plan.

Having developed the capacity of Ngā Kaitiaki to engage with the Council's planning processes, we intend to continue working with this group in implementing the District Plan. We will also work together to develop indicators to measure and monitor how well our initiatives are contributing to Māori participation in decision-making.

Wāhi Tapu Review

In 2007, the Council initiated a wāhi tapu and archaeological site review, establishing a Wāhi Tapu Reference Group made up of mandated iwi and hapū representatives. Since that time, this group has worked alongside Council staff to accurately identify and record wāhi tapu sites in the Council's GIS database.

In 2016/17, we initiated a District Plan change to correct the locations of wāhi tapu sites within the rohe of Ngāti Rahiri and add additional sites. We are currently finalising the identification of wāhi tapu sites in the rohe of Ngāti Mutunga, Otaraau, Manukorihi and Ngāti Te Whiti.

This project, designed to improve our knowledge of cultural heritage sites, provides important information for resource consent planners. In 2017, the project won the Society of Local Government Managers (SOLGM) Award for Innovation in Policy and Regulatory Development. Ongoing work will include incorporating wāhi tapu sites into the Draft District Plan, refining our internal GIS mapping systems and processes, and developing iwi and hapū capability in using and managing the wāhi tapu portal.

Māori Contribution to Decision-Making



Āwhina/ Prosperity

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

Te Huinga Taumatua

Te Huinga Taumatua is a joint-committee made up of elected Council and iwi members, currently co-chaired by a representative from each group. The committee's purpose is to provide strategic guidance and advice to the Council, and to receive submissions and other relevant reports on matters of importance to Māori.

The Committee is also authorised to make decisions on certain matters, including Marae Development Grants and the naming or re-naming of roads and Council-administered reserves.

We ensure the committee is well-serviced and well-resourced so it can make fully informed decisions. Moving forward, we will also ensure the committee is kept abreast of Council projects, initiatives and policies relating to Māori, and where relevant, provide comment.

Airport Project

We have engaged Puketapu Hapū to work with us and our contractors on the development of the new airport terminal. As part of the process, Puketapu has developed a cultural narrative which will inform elements of the terminal's internal design. The Council has resourced the hapū to participate in this process.

As part of establishing a Council-controlled organisation (CCO) to govern the airport facility, the Council established a new CCO Board of Directors, which has a representative from Te Ātiawa Iwi. Puketapu Hapū provided input into the iwi

nomination process and was given responsibility for naming the new airport company – Papa Rererangi o Puketapu Limited.

We intend to pursue further opportunities to collaborate with iwi and/or hapū on other regionally significant projects.

Funding support

We have recognised that Māori participation in the decision-making process is, in part, constrained by funding. This is particularly evident in relation to resource management issues, where access to expert scientific or legal advice is both costly and complex. As a result, we provide some funding to support tangata whenua engagement in resource management issues.

We provide Marae Development Grants and a Built, Cultural and Natural Heritage Protection Fund to support iwi with marae insurance and maintenance. Our intention is to ensure these funds are well subscribed, are used for their intended purpose, and contribute to the aspirations of iwi and hapū.

Treaty settlements

To date within the New Plymouth District, Ngāti Tama, Ngāti Mutunga, Te Ātiawa, and Taranaki have settled their Treaty of Waitangi claims with the Crown. In 2017, Ngāti Maru signed Terms of Negotiation with the Crown and now has a signed Agreement in Principle.

In 2017, Ngāti Maniapoto also signed an Agreement in Principle with the Crown. The area of interest extends south to the Waipingao Stream.

Settlement of Treaty claims provides opportunities for the Council to support the meaningful participation of iwi in all aspects of community decision-making. The Iwi Liaison Team plays a key role in this regard and works closely with iwi and hapū to facilitate effective reciprocal working relationships.

Statutory acknowledgements

All settlement legislation includes Statutory Acknowledgements and Deeds of Recognition. A Statutory Acknowledgement formally acknowledges areas or sites where iwi have a special relationship. A Deed of Recognition is an agreement

between an administering Crown entity and iwi/hapū, to ensure the latter has input into the management of an area or site.

The Council is obliged to notify iwi and hapū on all resource management-related matters when Statutory Acknowledgements and Deeds of Recognition interests are identified. As part of district planning and resource consent processes, we are committed to ensuring such interests are identified as early as possible. This means any issues and opportunities identified can be worked through, preferably before applications are lodged.

Memoranda of Understanding (MoUs)

A Memoranda of Understanding (MoU) is a non-binding agreement that outlines the terms and details of an understanding between the Council and iwi or hapū. In June 2009, we signed a MoU with Te Rūnanga o Ngāti Mutunga which is reviewed every three years.

Iwi Participation Agreements

A recent amendment to the Resource Management Act 1991 (RMA), gives iwi and hapū authorities the option to invite a regional or district council to form a Mana Whakahono ā Rohe.

A Mana Whakahono ā Rohe provides a mechanism for councils and iwi reach agreement on the ways tangata whenua can participate in RMA decision-making and assist councils with their statutory obligations to tangata whenua under the RMA.

Following a request from an iwi authority or hapū to form a Mana Whakahono ā Rohe, a council must convene a hui or meeting with the iwi or hapū, and invite any other iwi, hapū or councils to discuss participation, process and timing of the negotiations.

We are currently working with the other local authorities and eight mandated iwi organisations within the region to explore a collective approach to Mana Whakahono ā Rohe.

Parihaka Papakainga Trust


For the past few years, the Crown has established a relationship with the Parihaka Papakainga Trust to discuss ways the Crown can support the revitalisation of Parihaka. In 2016, the Crown and the Trust signed a Compact of Trust, committing the Crown to support greater capacity and capability within Parihaka.

The Crown has requested government agencies, the South Taranaki District Council, the New Plymouth District Council and the Taranaki Regional Council to identify how they will contribute to a relationship agreement with Parihaka. The New Plymouth District Council has identified a number of ways to support the people of Parihaka. This includes marae development, development planning and internships, and the facilities of Puke Ariki and the Govett-Brewster Art Gallery.

In June 2017, the Crown, the Parihaka Papakainga Trust, the New Plymouth District Council and other local authorities signed Te Huanga ō Rongo. We look forward to working with Parihaka to progress the initiatives we have committed to.

Māori Contribution to Decision-Making

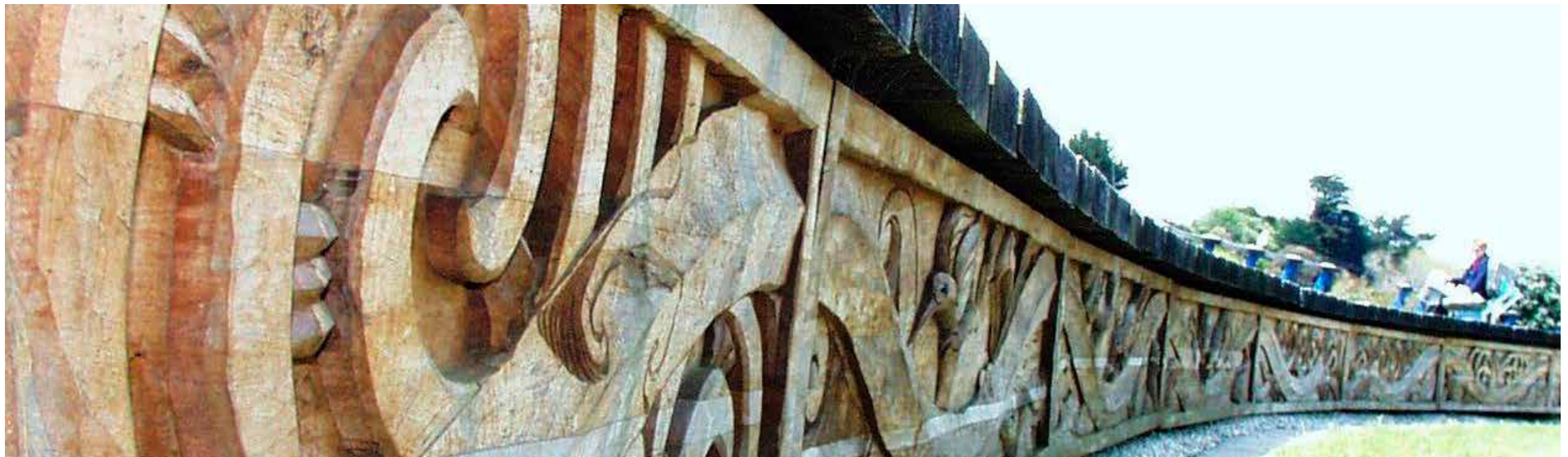
TABLE 1: Key initiatives and proposed next steps

 HE TANGATA: Aroha ki te tangata		
Initiatives	Description	Proposed Next Steps
Council staff working alongside tangata whenua	To enhance effective engagement of Māori in decision-making, provide support, advocate on behalf of, and guide the Council's interactions with Māori.	Strengthen staff cultural competencies, including: <ol style="list-style-type: none"> capability in basic te reo Māori (language) and tikanga (practices); develop knowledge and understanding of Māori concepts, values, histories and experiences; and enhance skills and confidence to engage with Māori to establish and manage effective relationships.
Significance and Engagement Policy	Sets out the Council's commitment to engage with tangata whenua on any issue likely to affect them, or where they have a clearly identified interest.	Measure and monitor how well the Council is engaging with tangata whenua at both a strategic and operational level.
Puke Ariki	Kaumātua Committee Advises Puke Ariki on issues regarding Māori, the taonga Māori collection and tikanga.	Explore further relationships with iwi to identify opportunities to better align the Puke Ariki experience to their aspirations.
	Refresh Plan 2015 Ensures that the museum's acquisition, care, storage and display of its collections plan aligns to its mission statement.	Continue to ensure Māori involvement in the management of its cultural collection.
	Exhibitions Includes processes for ensuring iwi are engaged in the design, preparation and operation of a long-term exhibition at Puke Ariki.	Ensure the Te Takapou Whāriki o Taranaki exhibition is refreshed, and that iwi have an opportunity to engage with Puke Ariki to ensure displays meet their needs.



TIAKINA: Manaaki whenua, manaaki tangata, haere whakamua

Initiatives	Description	Proposed Next Steps
Ngā Kaitiaki	Review the draft District Plan from a te ao Māori (Māori worldview) perspective.	Continue to work with Ngā Kaitiaki in: <ol style="list-style-type: none"> a) implementing the new District Plan; and b) developing indicators to measure and monitor how well Council initiatives are contributing to: <ul style="list-style-type: none"> • Māori contribution to decision-making, and • the Council's new strategic framework.
Wāhi Tapu Review	Identify and record wāhi tapu sites for cultural, district and resource planning purposes.	<ol style="list-style-type: none"> a) Incorporate wāhi tapu sites into the draft District Plan (E-Plan). b) Enhance the use of internal GIS mapping and display systems and processes. c) Develop iwi and hapū capability to use and manage the wāhi tapu portal, including up-dating information.



Māori Contribution to Decision-Making



ĀWHINA: Awhi mai, awhi atu, tātou katoa

Initiatives	Description	Proposed Next Steps
Te Huinga Taumatua	Provides strategic guidance and advice to the Council, and receives submissions and relevant reports on matters of importance to Māori.	Ensure the committee is kept abreast of the Council.
Airport Project	A collaborative effort to develop a cultural narrative, governance processes, and name of the governance entity, <i>Papa Rererangi i Puketapu Limited</i> .	Support further opportunities to collaborate with iwi and/or hapū on regionally significant projects.
Funding support	Support marae insurance and maintenance through the Marae Grants Policy and Built, Cultural and Natural Heritage Protection Funds.	Ensure funding: <ul style="list-style-type: none"> • is well subscribed; • is used for its intended purpose; and • contributes to the aspirations of iwi and hapū.
Treaty settlements	Identify opportunities to support the meaningful participation of iwi in all aspects of Council's community decision-making.	Work closely with iwi and hapū to facilitate effective reciprocal working relationships.
Statutory acknowledgements	Formal acknowledgements in Treaty settlement legislation of areas or sites with which iwi have a special relationship.	Ensure that as part of District planning and resource consent systems and processes, such interests are identified as early as possible.
Memoranda of Understanding	A non-binding agreement that outlines the terms and details of an understanding between the Council and iwi or hapū, including roles and responsibilities.	Where an interest is signalled, work with iwi and/or hapū to develop MoUs.
Iwi participation agreements	Provides a mechanism for councils and iwi to agree on ways tangata whenua can participate in RMA decision-making and assist councils with their statutory obligations to tangata whenua under the RMA.	Explore a collective approach to responding to invitations from iwi and hapū to form a <i>Mana Whakahono a Rohe</i> .
Parihaka Papakainga Trust	<ul style="list-style-type: none"> • Administers, maintains and develops property on behalf of Parihaka beneficiaries. • Implements the Parihaka Papakainga Master Plan. 	Work with the Trust to support Parihaka in marae development, development and planning internships, and accessing Puke Ariki and Govett-Brewster Art Gallery services.

Financial Strategy



Financial Strategy

INTRODUCTION

Our Financial Strategy is intended to guide the decisions we make now and in the future to ensure they contribute to our vision of *Building a Lifestyle Capital/He Whakatūtū Haupū Rawa Hei Āhua Noho* and its associated community outcomes *People/He Tangata, Place/Tiakina and Prosperity/Āwhina*. The Financial Strategy aids in delivering a financially sustainable district in the long term, one in which its citizens can afford to live in the near future, but also in 50 and 100 years from now.

It will also help us consult with you about what we plan to do by making it clear how those plans will affect our services, rates, borrowings and investments.

The focus of the LTP 2018-2028 is ensuring that we have the appropriate investments in infrastructure to build a lifestyle capital which will enable the district to continue to grow.

CURRENT FINANCIAL SITUATION AND FORECAST

The Council is in a strong financial position. At 30 June 2017 we had assets of \$2.5 billion and total liabilities of \$139 million.

The Council maintains a Perpetual Investment Fund (PIF) which has a balance of \$275m as at 30 June 2017.

S&P Global Ratings affirmed the Council's 'AA' long-term foreign currency and local currency rating and 'A-1+' short-term issuer credit ratings in October 2017.

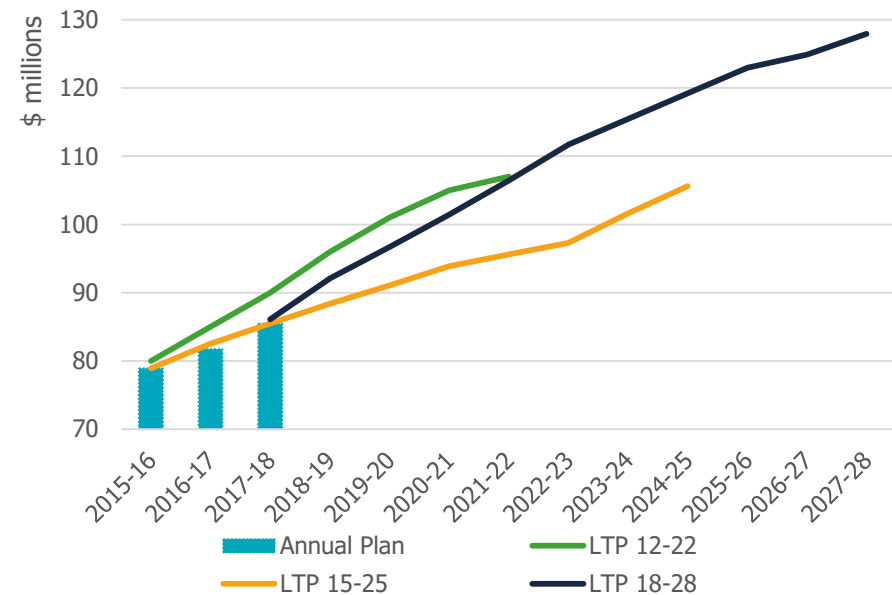


Figure 1: Total rates requirement over 2015 to 2028

Key investments in this plan include:

- Infrastructure renewals.
- Water, wastewater and transportation resilience programme.
- Water master plan including a new water source.
- Waste minimisation.
- Waitara stormwater.
- Coastal Walkway extension to Waitara.

Operational Expenditure

The Council is forecasting an operational expenditure of \$1.71b over the life of the LTP. The level of expenditure shows the cost of continuing with the Council’s programme to prioritise spend based on *Building a Lifestyle Capital: People, Place and Prosperity*. Figure 2 shows the total operational expenditure required from 2018-2028.

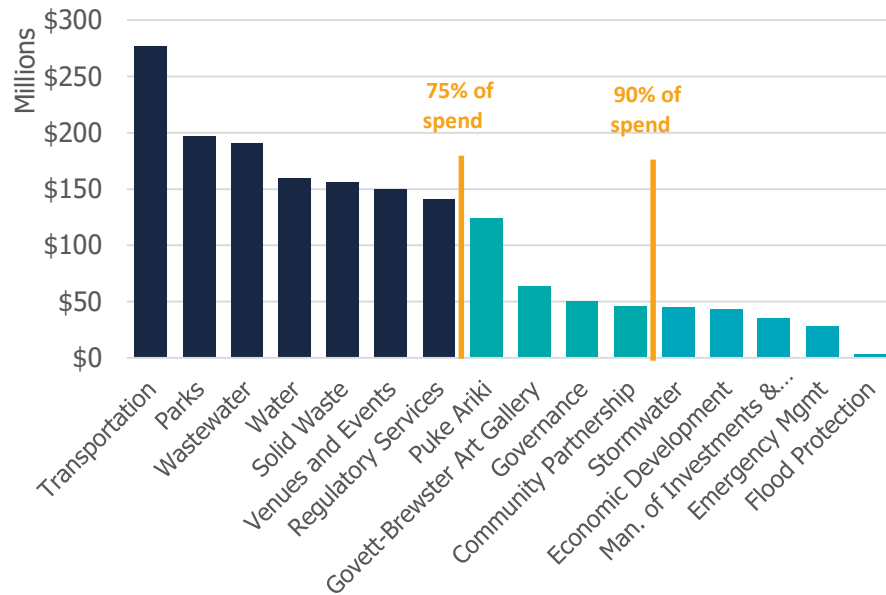


Figure 2: Total operating expenditure

Figure 3 shows how the operational expenditure is to be funded over the life of the LTP.

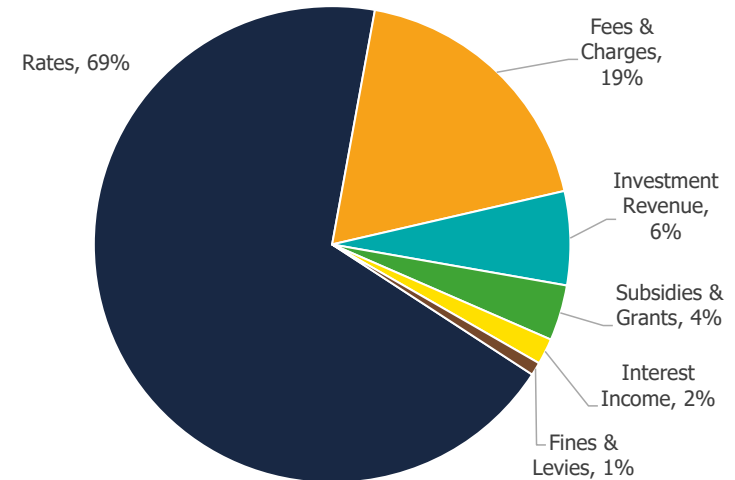


Figure 3: Revenue sources to fund operations

Capital Expenditure

The Council is forecasting a capital expenditure programme of \$526m over the life of the LTP. The cost of this programme by Council activity, the driver for the project and the funding sources are shown in figures 4, 5 and 6 respectively. This expenditure includes the cost of renewing existing assets that are coming to the end of their useful lives, as indicated by Asset Management Plans. It also includes the cost of improving existing assets and investing in new assets.

Financial Strategy

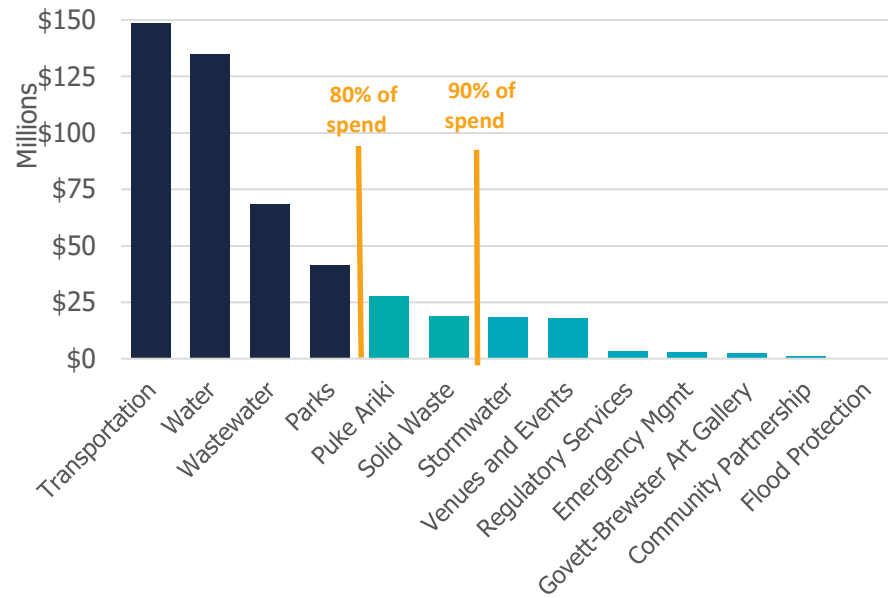


Figure 4: Total capital expenditure by Council Activity

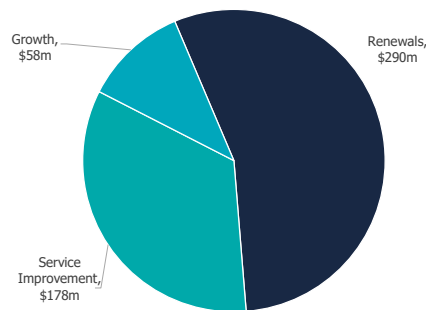


Figure 5: Total capital expenditure by driver

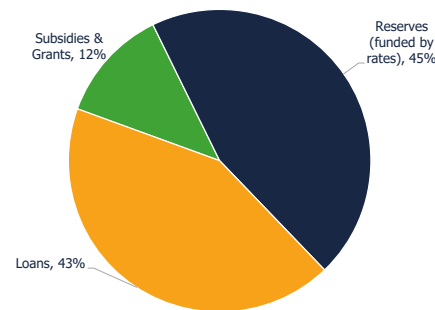


Figure 6: Capital expenditure funding source

Key investments included with this plan are:

- a) Capital expenditure to maintain our current assets (renewals) \$290m.
- b) Investment in water supply \$135m (includes \$30m for new water source in years 9 and 10 and \$8m for two new reservoirs in years 1 and 2).
- c) Investments to enable the district to continue to grow \$58m.
- d) Capital expenditure \$27.3m and operating expenditure \$17.2m for the water, wastewater and transportation resilience programme.

GUIDING PRINCIPLES

Fairness and equity

Fairness and equity relates primarily to ensuring that the funding of expenditure is fair across both present and future ratepayers.

Intergenerational equity

The principle of intergenerational equity is that the cost on long term assets should be met by ratepayers over the life of that asset. This is reflected by debt funding new assets with a repayment of that debt between 20 to 30 years and funding replacing assets from rates, over a 10-year rolling average, based on the Asset Management Plans.

Balanced budget

The Council maintains the practice that over each LTP the projected operating revenues are set at a level sufficient to meet projected operating expenses. This ensures the current ratepayers are paying the right amount of costs for the service they receive.

Borrowings funding

The Council's debt is used to fund the purchase of assets that the Council has agreed, after consultation with the public, will add sufficient value to the district to more than compensate for the expenditure incurred on that asset. The Council's financial policies require that new assets are to be funded by debt, with assets

being replaced to be funded from renewal reserves. This is consistent with the intergenerational equity principle.

Distribution of benefits

Consideration is given to each activity of the distribution of the benefits (of the activity) over identifiable parts of the community, the whole community or individuals (users). This then informs the consideration of who should pay for the activity. The distribution of benefits is explained in detail in the Revenue and Financing Policy.

Development contributions

The Development Contributions Policy provides the Council with a method to recover funding for additional infrastructure required for population and workforce growth in the district.

Market neutrality

The impact of the Council's funding mechanisms on commercial markets should be neutral where possible, and where appropriate.

Willingness to pay

Ratepayer concerns may reflect unwillingness rather than inability to pay.

This reflects relative satisfaction with perceived value for money from rates or with the Council's decision-making/consultation. Willingness to pay may reflect the real or perceived benefit from rates and may reflect private versus public good issues (for example, ratepayers may perceive that they are paying for services that largely benefit others).

Value for money

Value for money considers:

- The contribution of a proposal to the community.
- The degree of outcome contribution per dollar of cost.
- That the total cost is reasonable.

It also considers whether the means chosen to fund the expenditure is the most cost effective. This analysis includes the cost of financing an initiative, market maturity and demand analysis, an assessment of risks, and ensuring market neutrality where appropriate.

Risk management and assessment

Risk management is important when managing public services and assets and includes consideration of insurance, self-insurance reserves and any other provisions and/or reserves (for example, weather-tight homes provision).

Risk assessments consider the likelihood and consequence of risks associated with an expenditure proposal. Following a risk assessment consideration needs to be given to risk mitigation. In a financial context this can include insurance and provisions.

Good financial governance and stewardship

Good stewardship of the Council's assets and finances requires the Council to ensure that its actions now do not compromise the ability of future councils to fund their needs. Under this principle:

- Assets are not run down for future generations to pay for.
- Debt is not used to fund operating expenditure other than specific exceptional circumstances.
- The level of debt is regularly reviewed to ensure it is at a level that is both aligned with the Council's assets and rating base, and that it will not restrict a future council's ability to fund new assets through debt.
- The operational expenditure implications of capital expenditure decisions are considered.

Financial Strategy

RATES AND RATE LIMITS

The Council is very conscious of rates affordability. The Financial Strategy sets a limit on percentage increases in the rates requirement of five per cent in any one year with a 10 year average increase in rate requirement of between 3.5 per cent and 4.5 per cent. The increase in rates over the period of the LTP exceeds the limit in year one of the Plan as a result of additional costs and investment in response to the storm events in February 2018 which resulted in disruption to the water supply to a portion of the district. Further investment in the resilience of our water networks and improvements to our asset management systems have been added to our LTP which has increased rates by 6.9 per cent in 2019, 4.9 per cent in 2020, 4.8 per cent in 2021 and 4.9 per cent in 2022. Without these additions the rates ceiling limit of five per cent would have been complied with.

The 10-year average increase in the rates requirement is 4.0 per cent which is within the target of between 3.5 per cent and 4.5 per cent.

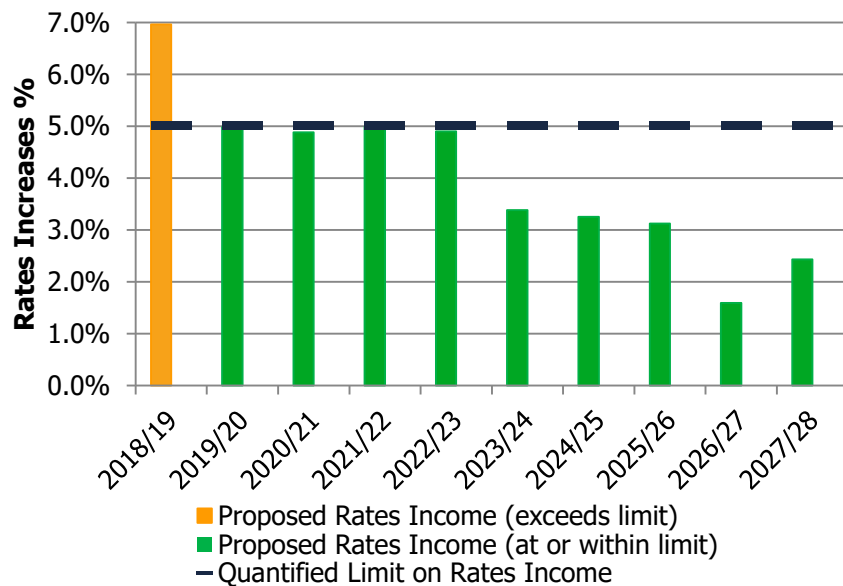


Figure 7: Rates affordability benchmark

With estimated growth within the district over the next 10 years of approximately one per cent per year this will mean the majority of individual residential properties will face a rates increase of approximately one per cent less than the overall rates requirement increase.

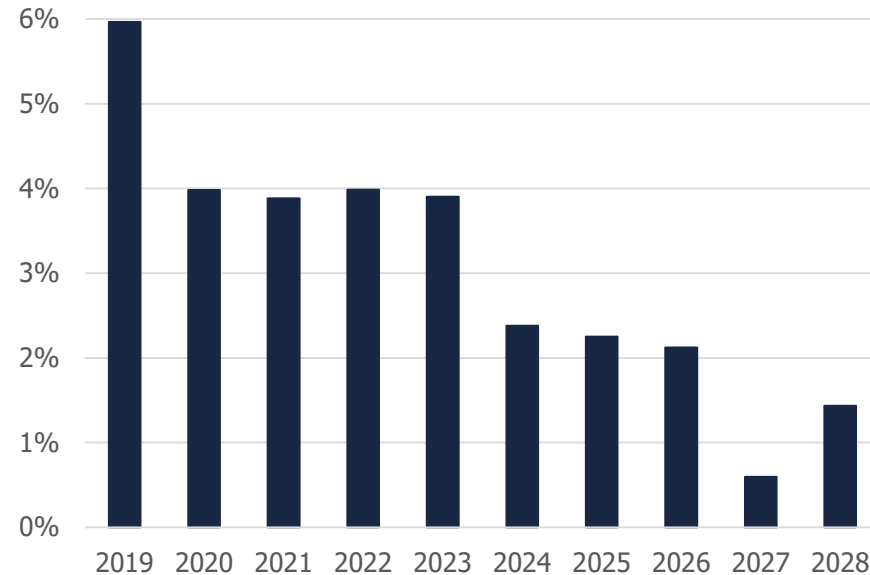


Figure 8: Average increase for individual residential ratepayers

Over the life of the LTP, the residential rate for the average individual ratepayer is proposed to increase by approximately three per cent annually. For the first year, of the Plan, it is approximately six per cent.

CAPITAL EXPENDITURE PROGRAMME

Capital expenditure is categorised into renewals (renewing existing assets), service level (new assets that improve the services provided to the community) and growth (new assets required to accommodate growth within the district).

Total capital expenditure for the LTP is \$526m. This amount is then allocated for each capital project to renewal, service level and/or growth components regardless of the driver. The driver for capital projects is the main reason for the project to take place, but there may be a renewal portion or an opportunity to increase the size or capacity of an asset to include service level improvements or cater for a growing district.

The allocation for each component by driver is represented in the following table.

Cost allocation of capital expenditure by driver	Renewal (\$m)	Service level (\$m)	Growth (\$m)	Total (\$m)
Renewal	265.5	20.3	5.4	291.1
Service level	22.5	123.3	2.0	147.8
Growth	1.7	34.2	50.9	86.9
	289.7	177.8	58.3	525.8

Climate change implications

The Council is aware that climate change is having an effect on its stormwater and flood protection assets and the level of service they provide. The ex-cyclone Gita event that damaged a main water pipe near New Plymouth on 20 February 2018 has been a wake-up call. Together with the Havelock North Water Inquiry, it has highlighted the importance of our water network and providing safe drinking water to our community, and by extension the importance of our wastewater and stormwater infrastructure.

We are introducing an increase in rates, to enhance the resilience of our water and wastewater networks.

We have also budgeted for the development of a Stormwater Master Plan which will include detailed engineering models and catchment management plans. This planning will help inform future plans for targeted interventions and performance management of our stormwater and flood protection assets.

The Council has also accounted for the effects of climate change across our other asset classes. For example, work currently underway on our Water Master Plan to find a new water source accommodates the effects of climate change over the long-term when making water demand and availability forecasts.

Renewals (looking after what we have)

It is important the Council continues to renew/replace assets with this level of spend to ensure the assets are fit for purpose and deliver the level of service that is required. Funding for renewal expenditure is rates funded and is based on a long run average renewal approach based primarily on the age and condition of our assets. As outlined in the 'Balancing the Budget' section, depreciation is not fully funded on long-life assets. The Council carries renewal reserves to ensure the right level of funding is held for renewal expenditure. Detailed rationale and analysis of the renewal expenditure is contained within the Asset Management Plans. A summary of core infrastructure renewal expenditure is shown in figure 9.

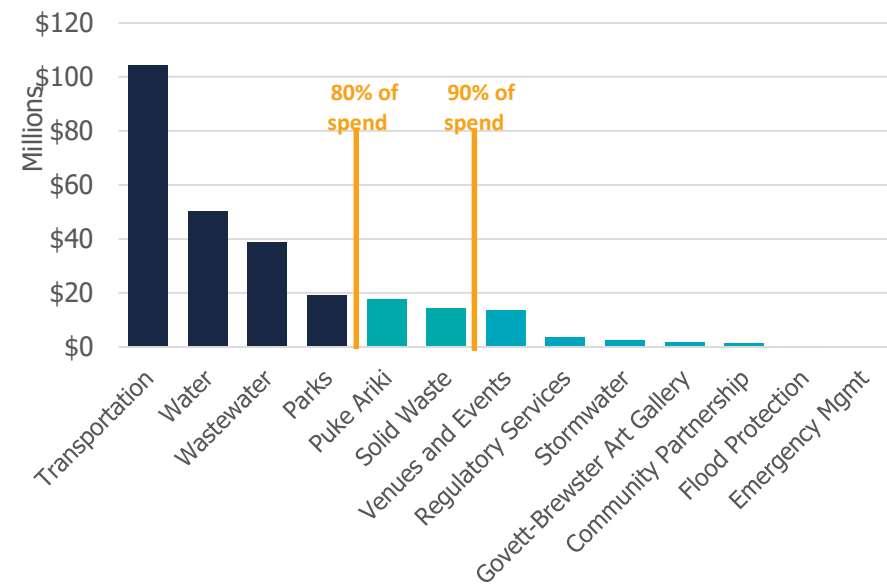


Figure 9: Renewal capital expenditure by Council Activity

Financial Strategy

Service level

Total service level (new capital) spend for the LTP is \$209m with this amount representing the service level improvement portion of any capital project.

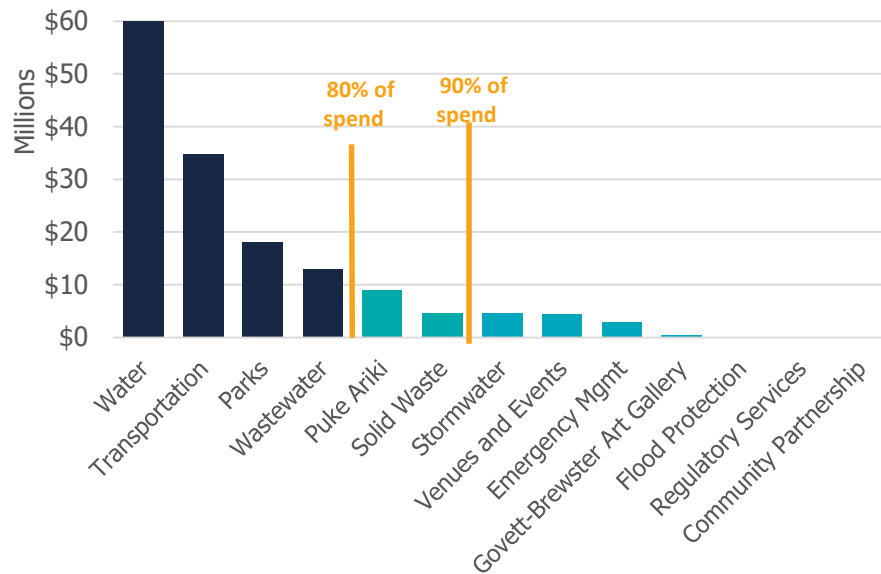


Figure 10: Service level capital expenditure by Council Activity

The major projects covered by this expenditure include:

- a) New water source \$30m (subject to consultation at the appropriate time).
- b) Waitara stormwater upgrades \$9m.
- c) Coastal Walkway extension to Waitara \$9m.
- d) Wastewater pump station overflow prevention \$5m.

Growth

A key change from the previous LTP is the recognition that a number of the key growth items will need to be funded by the Council rather than developers as a result of the introduction of the National Policy Statement on Urban Development Capacity.

The district population is forecasted to grow by 9,000 people (11 per cent) over the life of the LTP. This will equate to an estimated 370 dwellings per annum, which is approximately a one per cent growth rate.

The Asset Management Plans and Infrastructure Strategy have taken these growth forecasts into consideration, and our existing assets, together with the growth projects included in the Plan, will ensure the district continues to meet the levels of service outlined in this Plan.

There is also adequate land supply and provisions within the District Plan to ensure the adequate availability of land as required by the National Policy Statement on Urban Development Capacity.

Total growth spend for the LTP is \$58m with this amount representing the growth portion of any capital project.

There are three types of growth related capital expenditure: network catchment costs, local area catchments costs and specific growth area costs.

This three-tier approach under the Development and Financial Contributions Policy groups together developments by area so that costs are allocated according to those that benefit in a manner that balances practicalities and administrative efficiencies with considerations of fairness and equity.

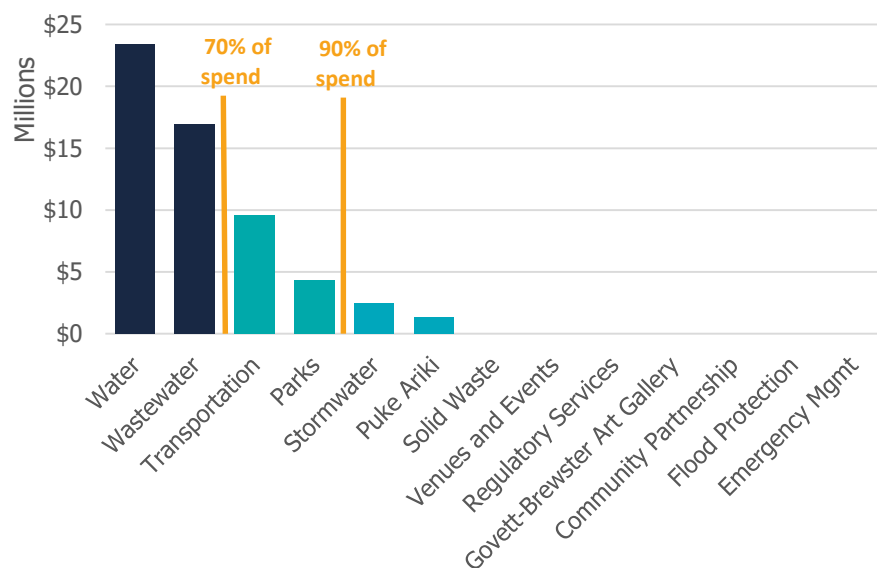


Figure 11: Growth capital expenditure by Council Activity

Network catchments \$49m

Network catchments are used for district-wide services and for where everyone that connects to the network (i.e. receives that service) has an impact on the network but the effects cannot be isolated to a specific growth area.

Key projects include:

Cost allocation of Capital Expenditure by Network Catchment	Renewal (\$m)	Service Level (\$m)	Growth (\$m)	Total (\$m)
Transportation	2	17	5	24
Water Supply: New Plymouth	-	-	19	19
Water Supply: All networks	-	11	4	16
Wastewater Treatment	1	1	11	13

Network catchments either refer to specific reticulated networks such as water, wastewater and stormwater or other non-reticulated systems such as the roading and parks and open space networks. The Council only operates one wastewater network serving New Plymouth, Ōākura, Waitara and Inglewood; whereas there are four water networks in New Plymouth (also serving Waitara), Inglewood, Ōākura and Okato.

Local area catchments \$1m

The geographical area costs are for assets that are required for growth, but are not directly related to a defined growth area in the District Plan. For example, the Ōākura village requires a roundabout for transport efficiency and safety. This cannot be directly attributed to an Ōākura growth area, but is not considered to be a district-wide project.

Specific growth areas \$10m

Capital expenditure related to specific growth areas is separated out from network catchments because they represent large scale areas of development. For example, the Bell Block growth area, also referred to as Area Q, occupies the area from Wills Road in the west to Airport Drive in the east and from SH3 in the south to a significant area to the north. These growth areas provide land for additional residential development to occur in the district in a planned and controlled way, but are not yet serviced by core infrastructure such as water services, wastewater treatment, stormwater systems or suitable transportation or parks.

BORROWINGS AND INVESTMENTS

The Council's debt profile is outlined in Figure 12. The growth in overall debt over the LTP is \$109m to a total of \$230m.

The Council's policy requires debt to be repaid between 20 and 30 years from the date of borrowing. The average repayment period over the LTP is 23 years. The Council's Treasury Management Policy also provides that where there are surplus funds with no planned or approved purpose, these funds may be used to repay debt.

Financial Strategy

Managing debt in a prudent manner helps the Council build resilience and sustainability, as it provides the Council with the financial capacity to cope with exceptional circumstances, or unforeseen events.

Within the Treasury Management Policy there are five different measures the Council uses to limit the level of debt.

These are set at prudent levels and well within the requirements of our rating agency, Standard and Poor's, and the Local Government Funding Agency.

The two key ratios relate to the overall debt level to total revenue and Interest as a percentage of rates.

The first key measure relates to limiting the level of debt to 135 per cent of total revenue (excluding development contributions and vested assets).

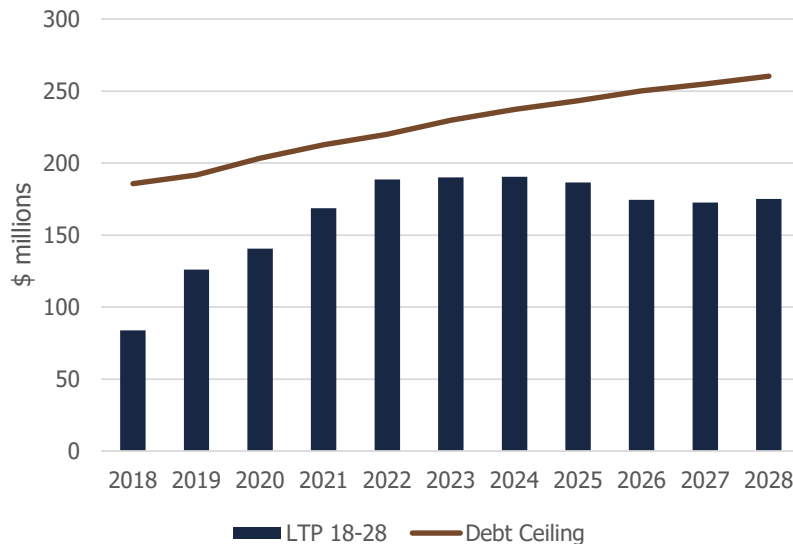


Figure 12: The Council's borrowing

The second key measure is for the Council to have a maximum external debt level where net interest costs are no more than 12.5 per cent of rates income, occurring within the life of the LTP.

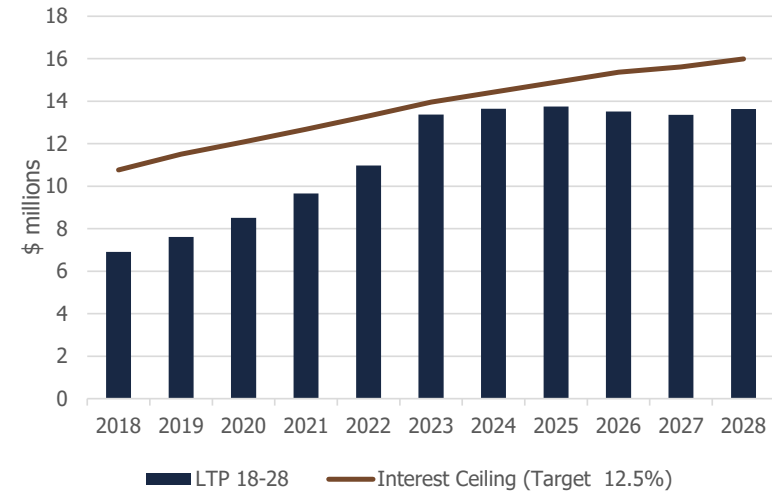


Figure 13: Interest rate ceiling based on 12.5 per cent of rates

For further details on debt management refer to the Treasury Management Policy.

Land holdings

The Council has a programme of land sales included within the LTP.

	Approximate cash after costs	Approximate timing
Land sales	\$5m	2018-2022

The Council will continue to review its land holdings and identify surplus land for sale.

Security for lenders

It is noted that Council has a debenture trust deed dated 21 May 2009, registered in favour of Foundation Corporate Trust Limited, representing the interests of all lenders to/investors in the Council. The security is a floating debenture, but provides the lenders/investors with a specific charge over the rates (levied under the Local Government (Rating) Act 2002) revenue of the Council.

Investments

The Council holds investments in short-term deposits which mainly relate to restricted reserves and renewal funds. These investments are managed in line with the guidelines set out in the Treasury Management Policy.

The Council's current main investment is the Perpetual Investment Fund (PIF). Council's expectation is that the real value of the fund is maintained over the long term.

The organisational architecture for the management of the PIF has been restructured and moved to a fully outsourced model with a Board of PIF Guardians managing the outsourced agent – Mercer's.

While investment returns are always uncertain, an annual release of 3.3 per cent of the capital base is considered conservative and should see the release slowly increase over the life of the LTP, as the capital base of the fund grows. The release payment is set by the PIF Guardians and is subject to a three yearly review. The strategic asset allocation currently has a target return of 5.2 per cent after costs and before inflation.

The annual dividend to the Council from the PIF is an important component of the annual income.

Expected return on investments and main ownership objectives

The Council's most significant investments are held within the PIF. The objectives for the management of the PIF are set out in the Governance Deed between the Council and the New Plymouth PIF Guardians Ltd:

- a) to at least maintain the real capital of the PIF as a sustainable Perpetual Investment Fund in the long term (the Founding Principle) whilst generating a sufficient return to maintain a sustainable release to the Council; and
- b) to ensure that the following principles underpin the operation of the PIF:
 - all investments are made on purely commercial terms;
 - the PIF will be managed on the basis of a prudent diversified portfolio investment style and assets allocation, which manages risk to further the Founding Principle.

Financial Strategy

Figure 14 shows the expected increase in the PIF balance that meets the objective of maintaining the real capital of the PIF. This is based on a long term minimum return for the PIF of 5.3 per cent per annum.

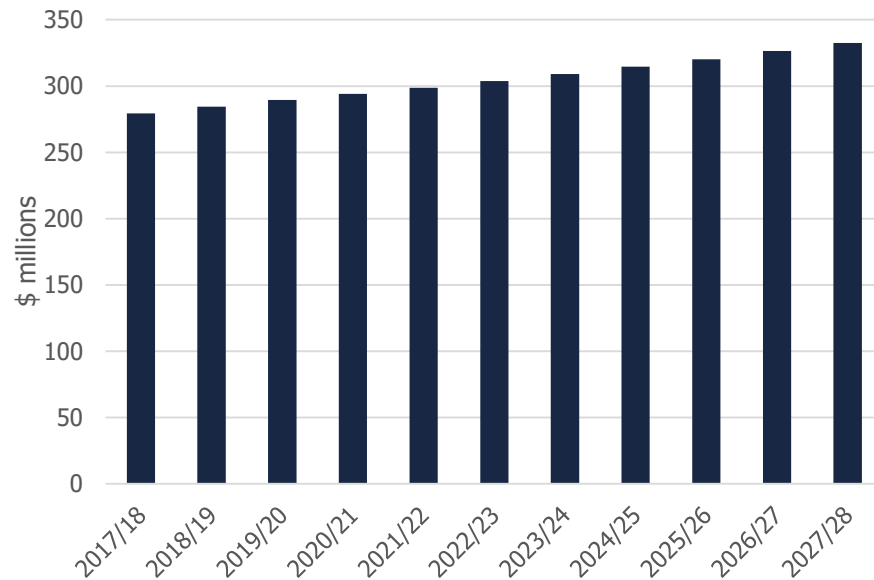


Figure 14: Projected PIF balance

IMPACTS OF OUR STRATEGY ON SERVICES

The Financial Strategy is focussed on the Council's strategic framework of *Building a Lifestyle Capital: People, Place and Prosperity*.

Within the LTP there are no proposed decreases to levels of service.

Service level improvements are focussed on improving infrastructure and advancing the Council's strategic framework.

Growth projects are focussed on enabling the district to grow to meet expected population growth while ensuring that the high level of services provided to the community are still maintained.

The forecasts include high level operating expenditure estimates in the last five years of the LTP of \$14.5m (\$2.9m on average per annum) to allow for outcomes from the Tapuae Roa: Make Way for Taranaki Strategy and Action Plan, a new waste management plan in 2024, increasing costs associated with emergency management, allowing for impacts from climate change and other service improvements not yet specified.

BEYOND 10 YEARS

The Infrastructure Strategy identifies the significant infrastructure issues the Council will face following this LTP for the next 20 year period.

This LTP places the Council in a good position to meet these challenges with the investment in maintaining our current assets, improvements in service levels and enabling growth of the district.

While making these investments the level of debt is such that there is still resilience for unforeseen events and capacity for future projects.

Infrastructure Strategy



Infrastructure Strategy

INTRODUCTION

The Infrastructure Strategy (IS) identifies the significant infrastructure issues the New Plymouth District is likely to face over the next 30 years.

The IS is not a 30-year budget. Rather, it takes a long-term view of the infrastructure and services our communities will need over time, and how we might provide them. As well as identifying the key issues, the IS details the options we have for managing these issues and the implications of each of these options. It also outlines the Council's preferred response and how much it is likely to cost. Sitting alongside the Financial Strategy, the IS helps us avoid any major surprises in the future. In developing this strategy, we have considered:

- the infrastructure required to implement our strategic vision;
- how much the district will grow and where and when that growth will occur;
- the current state of our assets and the issues likely to arise over the next 30 years;
- the possible solutions to these issues and how much they will cost; and
- the impact of any decisions on levels of service, rates and debt.



NEW PLYMOUTH DISTRICT

With an area of 2,324 square kilometres, the New Plymouth District is the tenth largest district in New Zealand. It's made up of New Plymouth City, our largest centre, and a number of surrounding settlements that support smaller communities and lifestyle living.

New Plymouth City is the focus for the region's economy, which is dominated by dairy farming, oil, natural gas and petrochemical exploration. The city is also the region's financial centre and home to Port Taranaki – the only deep-water port on the west coast of New Zealand. Lying 11km north of the city centre, New Plymouth's Airport is an important regional airport in New Zealand. New Plymouth is recognised as the tourist hub of the Taranaki region, which was named '2nd Best Region in the World to Visit' by Lonely Planet in 2017.

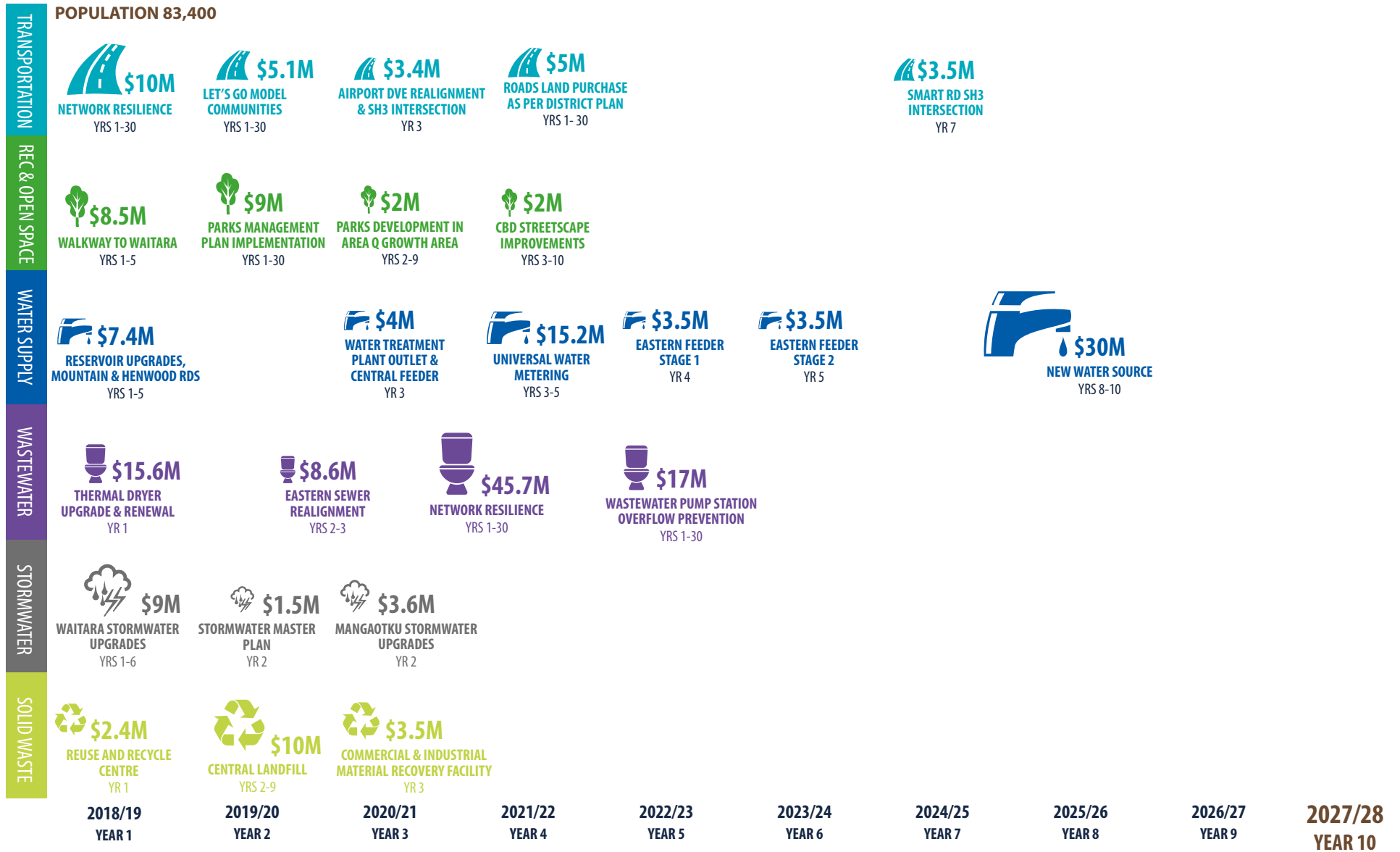
The district is currently experiencing high population growth and is expected to grow by 27 per cent by 2048. A significant proportion of those residents will be aged 65 years and over.

To support a vibrant and resilient district well into the future, it is important we manage our infrastructure assets both prudently and sustainably through future periods of growth and other pressures.

STRATEGIC FRAMEWORK

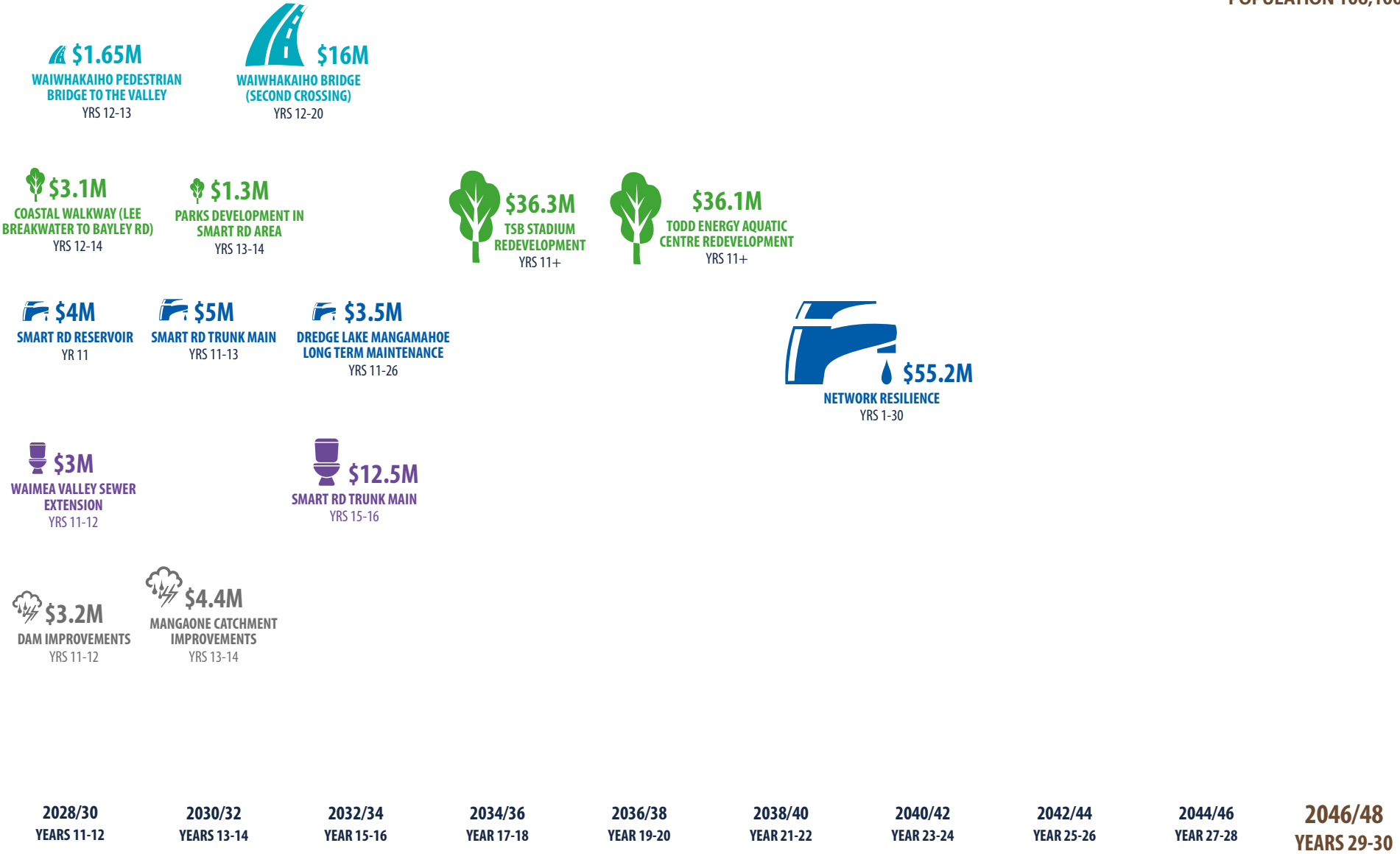
The Council's vision is for the Council, together with the community, to be *Building a Lifestyle Capital/He Whakatūtū Haupū Rawa Hei Āhua Noho*. This vision and its associated community outcomes *People/He Tangata, Place/Tiakina and Prosperity/Āwhina*, support our 30-year vision encapsulated in the District Blueprint. A copy of the Council's strategic framework can be found in the Strategic Direction section of the Long-Term Plan (LTP) 2018-2028.





Our 30-Year Investment in Infrastructure

POPULATION 106,100



THE VALUE OF OUR INFRASTRUCTURE



GUIDING THEMES

What we need to renew

Our greatest priority in managing infrastructure is to look after the infrastructure assets we've already got. Much like maintaining a car, it is important we maintain the condition of our infrastructure assets to make sure they perform, that they are safe and that they have as long and useful life as possible. We do this through renewals, by either replacing or fixing an infrastructure asset that provides essential services for our communities.

Renewals are funded from reserves, set aside annually from rates. Before any investment, we assess whether an asset is still required to meet the current levels of service. We use forecasting models to plan long-range renewal requirements and to ensure that the proper funding (funded depreciation) is in place. Rather than age, we have adopted a risk based approach using criticality and condition assessments to help prioritise the assets that need to be renewed first. An asset, or a component of an asset, will only be renewed if:

- The asset is failing to deliver the current level of service.
- The annual maintenance cost exceeds the annualised rate of consumption (annual depreciation).
- Continuing to operate the asset in its current condition is deemed to carry too high a risk.

Significant Renewal Projects	Year	Value
Water reticulation network renewal These are for network renewals identified through routine maintenance and asset management planning.	2018-2048	\$108.0m
Transportation reseal and rehabilitation Thirty-year programme to retain current level of resealing and rehabilitate sealed roads.	2018-2048	\$150.0m
Wastewater reticulation network renewals For network renewals identified through routine maintenance and asset management planning.	2018-2048	\$48.5m

Replacement of the thermal dryer of Wastewater Treatment Plant To replace the thermal dryer with significantly more energy efficient technology that has capacity to meet future sludge processing requirements.	2019-2021	\$15.0m
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Condition and Performance of Assets

It is critical that New Plymouth District has clear knowledge of the condition of its assets and how they are performing. Condition data has been captured over a number of years for a range of assets. Our strategy is to improve our knowledge of asset condition and data management over time. Having reliable condition assessment data will help us to understand future expenditure requirements and make management decisions regarding maintenance, replacement and renewals.

The performance of an asset is its ability to provide the required levels of service to customers.

Activity	Condition Data	Certainty	Current Performance
Water	Seventy-three per cent of water pipes are rated moderate or better condition.	Certain	Aside from some unsatisfactory pressure management and Inglewood discolouration we are meeting required levels of service.
Wastewater	Fifty-two per cent of wastewater pipes are rated moderate or better condition.	Certain	Currently meeting required levels of service.

Guiding Themes

Activity	Condition Data	Certainty	Current Performance
Stormwater	The asset base is in very good condition and on average has 65 per cent of its original life remaining.	Certain	Generally meeting levels of service with the exception of Waitara.
Flood Protection	The network is in very good condition.	Certain	Currently meeting required levels of service.
Transportation	The asset base is in good condition and has on average 57 per cent of its original life remaining.	Certain	Currently meeting required levels of service.

What if we don't maintain our assets?

If we do not maintain and renew our assets appropriately they will deteriorate, and fail to deliver their intended services. They could also become unsafe for users or adversely affect the environment. Therefore, we plan for our long range renewal requirements and the associated costs to ensure our community enjoys consistent benefits from our infrastructure, both today and into the future.

Response to growth

Our district is growing. In 2018, our population was 83,400, about two thirds of the Taranaki region. The population is projected to grow to 92,400 over the next 10 years and to 106,100 by 2048 (an increase of 27 per cent).

To meet our strategic vision and support a sustainable and connected community, we must plan for future growth. Planning ahead and making the appropriate infrastructure investment means we can service a growing number of residents, and ensure the district remains an affordable and desirable place to live.

Our District Plan identifies areas in the district that can best provide for future growth. The Infrastructure Strategy discusses how we plan to service these areas.

Growth strategy

In accordance with the District Plan, our growth strategy can be summarised as follows.

Identifying and providing land to meet the short, medium and long-term future growth needs of the district, while utilising existing infrastructure and ensuring a compact urban environment that enables growth in the following areas:

- Existing undeveloped residential zoned areas in the short and medium term.
- Infill within existing residential areas in the short, medium and long term, e.g. large back yards.
- Southern growth areas of New Plymouth City in the medium term e.g. Hurdon, Ferndale, Vogeltown.
- Hillsborough in the long term.
- Rural townships where there is adequate infrastructure and growth is desired by those communities.

A Council priority is to encourage growth in those areas where there is existing infrastructure, or where it is relatively easy and inexpensive to extend that infrastructure and provide services.

Central government policy

The National Policy Statement on Urban Development Capacity (NPS-UDC) requires us to look at the district’s projected population growth and pre-empt market demand by unlocking and servicing land feasible for development. Figure 1 shows NPS-UDC projections of our annual housing requirements, calculated on an average household occupancy of 2.6 people.

We anticipate that new houses in undeveloped residentially zoned land and the new growth areas identified will enable us to meet these future housing requirements.

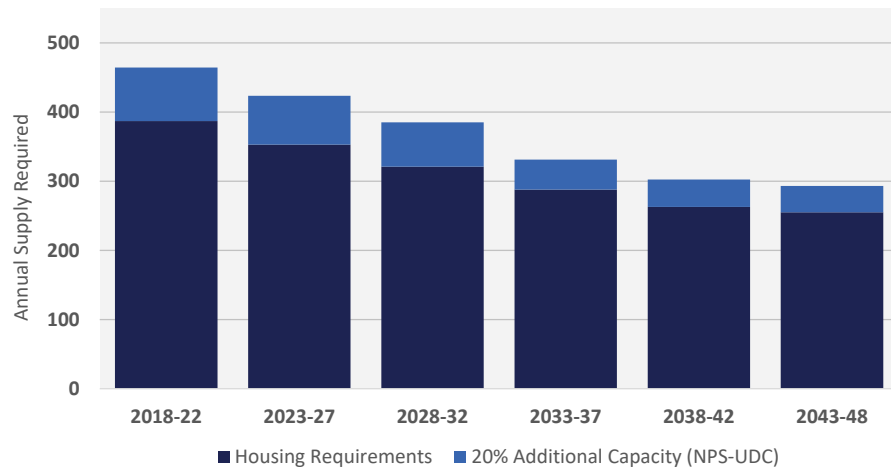
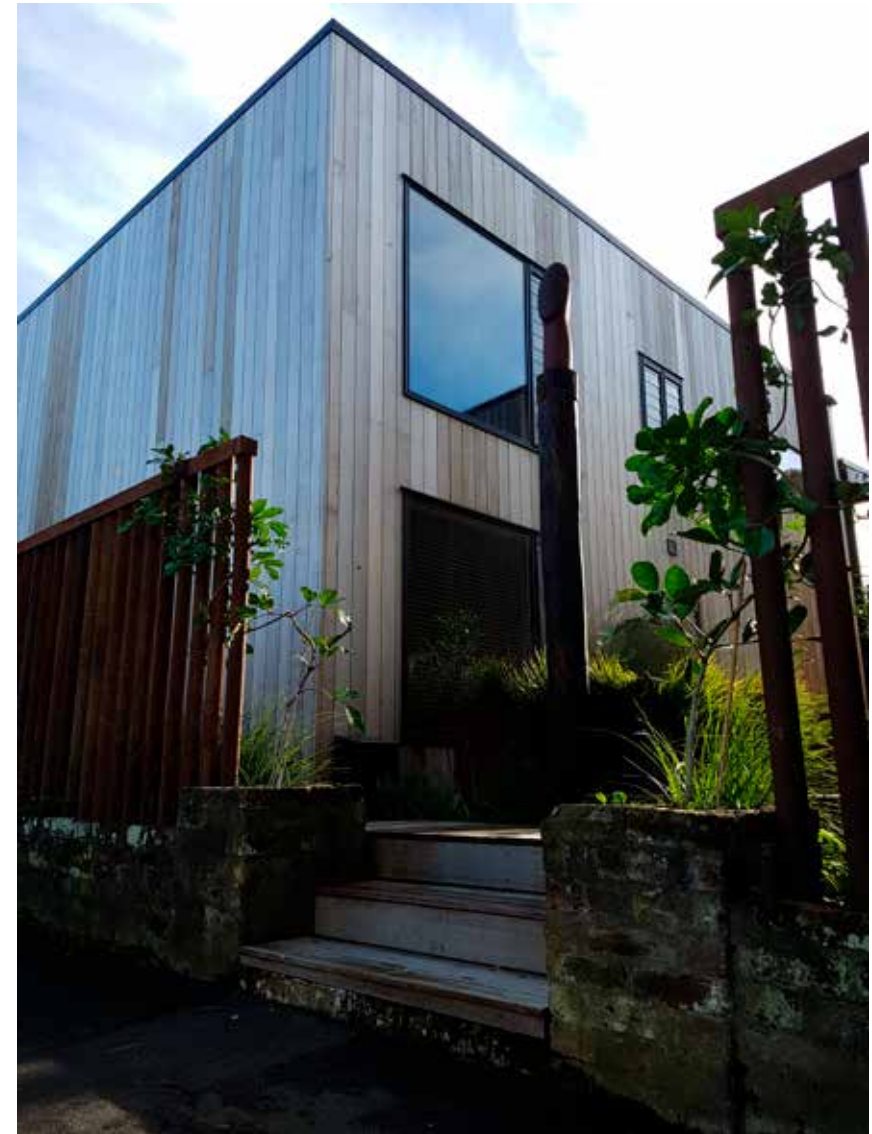


Figure 1: New Plymouth housing supply required under NPS-UDC



Guiding Themes

Future growth areas

The following table and map shows the areas in the district that have been identified for future growth and the year that they are likely to be zoned for residential development.

Growth Area	Year 1 2018/19 (lots)	Year 2 2019/20 (lots)	Year 3 2020/21 (lots)	Year 4 2021/22 (lots)	Year 5 2022/23 (lots)	Year 6 2023/24 (lots)	Year 7 2024/25 (lots)	Year 8 2025/26 (lots)	Year 9 2026/27 (lots)	Year 10 2027/28 (lots)	Yrs 11-15 2028-32 (lots)	Yrs 16-20 2033-37 (lots)	Yrs 21-25 2038-42 (lots)	Yrs 26-30 2043-47 (lots)
Urban infill (2nd dwelling)	179	179	179	179	179	179	179	179	179	179				
Undeveloped residential land	508	508	508	282	282	282	282	282	282	282				
Area Q	594							155						
Junction area	8					183					90	99		
Carrington area			264											
Ōākura south area		158												
Ōākura west area											390			
Okato area											57			
Frankley/Cowling area											680			
Waitara east area											76			
Smart Road area												600	2,990	

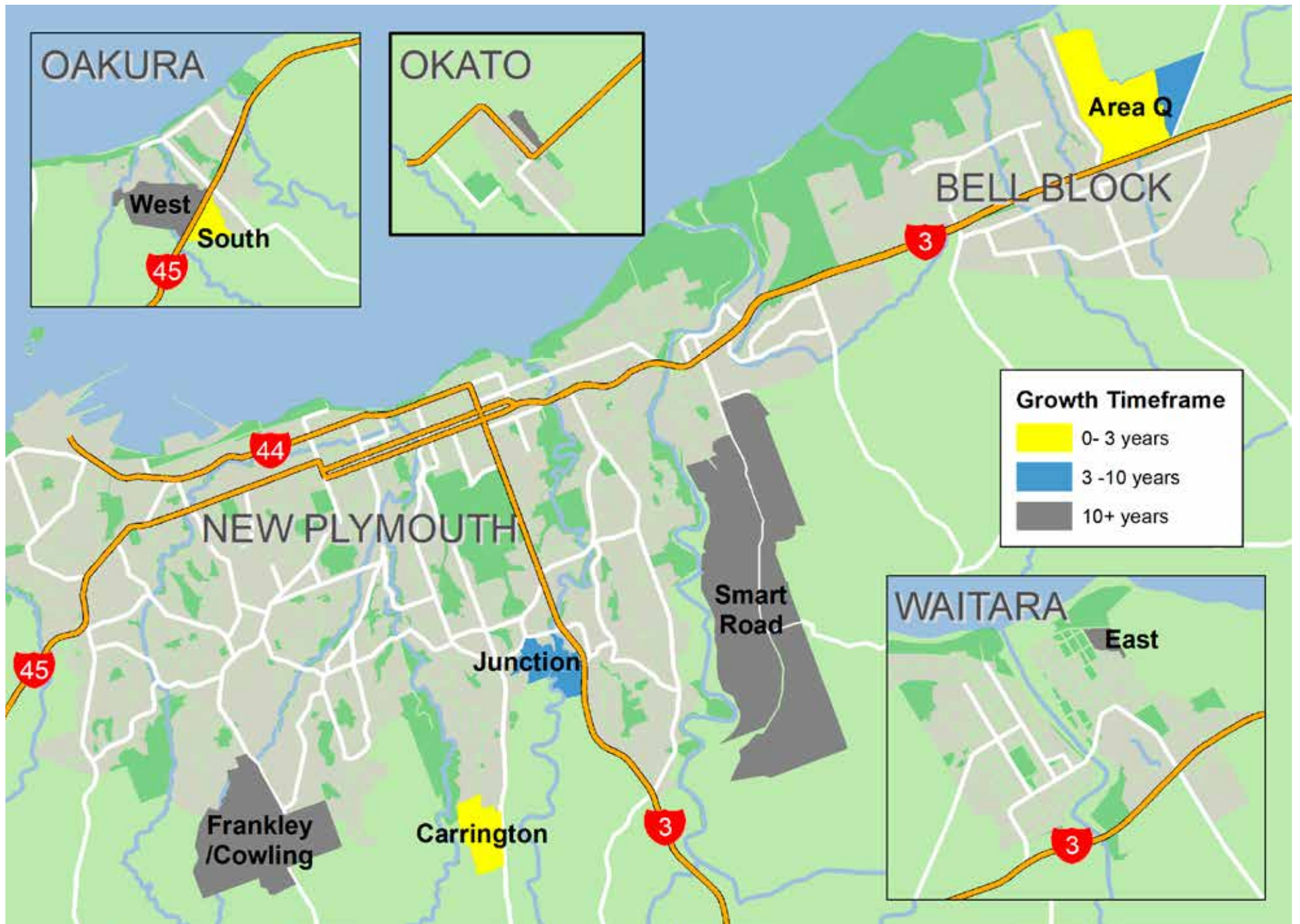


Figure 2: Planned residential growth map

Guiding Themes

Growth related infrastructure

We are planning to meet the needs of growth through efficient and cost effective infrastructure networks. We want to use network modelling tools to better understand and utilise the infrastructure we already have, and explore the implications of any infrastructure decisions we might make.

Future growth will require investment in both network wide infrastructure such as central processing plants and in upgrading or slightly extending existing infrastructure on the boundary of our urban areas.

Significant Growth Projects	Year	Value
Water supply, wastewater and stormwater network modelling Without network modelling, it is difficult to identify the capacity of our reticulation networks to accommodate future growth and where upgrades to the system are required. Network modelling provides the information we need to make the most beneficial and cost efficient decisions for reticulation infrastructure.	2018-2021	\$3.0m
Transportation network modelling Network modelling of our transportation network allows us to identify network capacity for future growth and make informed decisions about upgrade and extension requirements.	2021-2022	\$400,000
Second bridge crossing over Waiwhakaiho River Planning for a second Waiwhakaiho River crossing is critical to facilitate and cater for growth in the district. Adding an alternative crossing also contributes to the district's resiliency.	2030-2038	\$16.0m+

Significant Growth Projects	Year	Value
Smart Road water, sewer and stormwater upgrades The Smart Road area is earmarked for significant growth over the next 30 years and will require a significant investment in infrastructure.	2029+	\$25.9m
Eastern wastewater network realignment The eastern wastewater network realignment will streamline sewage flow entering the treatment plant from the east and provide for growth in this area.	2021-2022	\$8.6m
Residential universal water metering Installing water meters is a demand management response to help reduce our high water consumption. Both existing and new customers will pay for what they use, therefore a proportion of this is service level related.	2022-2025	\$15.2m
Mountain and Henwood roads water reservoirs There is limited capacity at both of these reservoirs. To cater for growth, a second reservoir is required at each location.	2018-2020	\$7.4m

Who does what?

The Council intends to lead any large scale infrastructure projects in the district. We will recover a portion of expenditure required to service new growth areas from developers of those areas, in accordance with our Development Contributions Policy. Property developers are responsible for smaller scale and less complex infrastructure upgrades at the time they undertake their developments. The table on the next page shows how the responsibility for growth related infrastructure is split.

Council-provided Infrastructure	Developer-provided Infrastructure
<ul style="list-style-type: none"> Water and wastewater treatment plant upgrades. Water reservoirs and connecting bulk mains. Wastewater interceptor pipes. Major arterial roads. Major pump stations. Sports parks and large destination parks. Community and events infrastructure – libraries, pools, stadiums etc. 	<ul style="list-style-type: none"> Local water and wastewater pipes (sometimes upsized by the Council). Stormwater infrastructure for the development (sometimes up-sized by the Council). Collector roads, local roads, footpaths and street lighting (sometimes up-sized by the Council). Local reserves.

What if we don't plan for growth?

Failure to plan sufficiently for projected growth may make housing less affordable as demand outweighs supply, and the district will become a less desirable place to live. In addition, unless appropriate investment takes place, our existing infrastructure will become unable to support the growing number of residents it is required to service.

Meeting community expectations

Community expectations are the levels of service our community expects from the Council-provided services. A summary of our community expectations by activity is as follows.

	Community Expectations
Roading	A safe, reliable roading network with minimal interruptions and adequate parking with an appropriate quality is provided at an affordable cost that minimises harm to the environment.
Water	A continuous, adequate and reliable water service with minimal interruptions that is safe, clear and tastes good at an affordable price that minimises harm to the environment and maintains public health.
Wastewater	A continuous, adequate and reliable wastewater service with minimal interruptions at an affordable price that minimises harm to the environment and maintains public health.
Stormwater and Flood Protection	An adequate service that safeguards life, property and public health that is able to cope with extreme rainfall events at an affordable price that minimises harm to the environment.
Solid Waste	An adequate, regular refuse collection with well-maintained facilities in appropriate locations at an affordable cost that minimises harm to the environment and maintains public health.
Recreation and Open Space	Safe, secure, convenient parks facilities, sportsgrounds, and playgrounds that have adequate, clean toilets along with a quality zoo (with well cared for animals) that minimises harm to the environment, maintains the natural ecosystem and maintains public health outcomes.

Guiding Themes

Significant Level of Service Projects	Year	Value
TSB Stadium redevelopment The redevelopment will cater for simultaneous sport and commercial events and meet the increasing needs of community sports and recreation.	2029+	\$36.3m+
Todd Energy Aquatic Centre redevelopment The redevelopment of the Todd Energy Aquatic Centre into a destination health and recreation facility would provide more capacity and service variety.	2029+	\$36.1m+
New water source and treatment plant With current projections, demand on the district's current water source is expected to exceed supply capabilities at some point. A new water source will be required.	2026-2028	\$30.0m
Wastewater pump station overflow prevention This includes installation of emergency storage (where practical) or investigation into alternate options where it is not practical (e.g. generators).	2019-2048	\$17.0m
Commercial and industrial material recovery facility at Colson Road We plan to develop a commercial and industrial material recovery facility at Colson Road.	2020-2021	\$3.5m
Resource recovery facility at Colson Road This facility will promote reuse and recycling and reduce the amount of recoverable residential, commercial and industrial waste going to landfill. Development of this area will involve community groups and activities, with an emphasis on education.	2018-2019	\$2.4m

Significant Level of Service Projects	Year	Value
Taranaki Traverse (Waiwhakaiho River section) Proposed for development of the Taranaki Traverse walkway linking the Waiwhakaiho River Mouth to Mt Taranaki.	2018-2023	\$1.0m
Walkway to Waitara Extending the walkway from Tiromoana Crescent through to Waitara.	2018-2023	\$8.5m
Let's Go active transport infrastructure and services This project relates to the ongoing commitment by the Council and the New Zealand Transport Agency to encourage active travel in the district.	2018-2048	\$5.1m

Over the life of this strategy there will be increases in levels of service. These are driven by factors such as community-led financial constraints, changing expectations and needs, and the development of new technology.

What if we don't meet community expectations?

The Council's primary focus is meeting the needs of our community. We need to be very clear with the community about our agreed levels of service and we need to respond accordingly if the levels of service delivered do not meet those targets agreed.

Building resilience

In order for our community to be resilient our infrastructure needs to be able to withstand a major event, or be restored to service as soon as possible after an event.

The ex-cyclone Gita event that damaged a main water pipe on 20 February 2018 resulted in significant water shortages across the district. Together with the Havelock North Water Inquiry, it has highlighted the importance of our water network and providing safe drinking water to our community. In response to this the LTP and Infrastructure Strategy include a number of projects that will improve the district's resilience across a variety of infrastructure types.

Significant Resilience Projects	Year	Value
Replace water and wastewater pipes with PVC Installation of more durable and long lasting PVC wastewater pipes.	2018-2038	\$120.0m
Water network resilience (multiple projects)	2018-2048	\$55.2m
Wastewater network resilience (multiple projects) Invest more to look after our current water supply and wastewater networks and invest in upgrades to make our water supply and wastewater networks more resilient.	2018-2048	\$45.7m
Transportation network resilience Roading upgrades to reduce the likelihood of slips closing roads.	2019-2048	\$10.0m
Periodic maintenance dredging Lake Mangamahoe Maintain storage so we can continue to supply water for longer in the event of drought or failure of the tunnel between Waiwhakaiho River and Lake Mangamahoe.	2029-2038	\$2.0m

Significant Resilience Projects	Year	Value
Increase water reservoir storage capacity (Mountain and Henwood roads) Increases reserves of stored treated water. Increases length of time we can continue to supply water in the event of failure of the trunk mains supplying the reservoirs.	2018-2020	\$7.4m
Duplicate New Plymouth Water Treatment Plant outlet pipe and central feeder Duplication means a main can be out of service for maintenance or through pipe failure and supply can continue through the duplicate pipeline.	2020-2021	\$4.0m

Failure of assets

The failure of assets spectrum ranges from a water main break to the impacts of a large scale natural disaster. The Council has identified critical and significant infrastructure assets and services signaled for priority restoration following a large scale event—particularly for reticulation systems and the roading network. Each Council business area also has incident response and business continuity plans that plan a coordinated and strategic response to any event.

Natural hazards

The district is susceptible to a range of natural hazards that pose risks to infrastructure and the services provided to the community. The most significant is a volcanic event. Although Mount Taranaki is dormant, Massey University research states that significant seismic activity is likely in the next 50 years, creating risk of lahars for almost all areas. Significant ash fall could cause major disruption.

The district is also susceptible to flooding and high winds, particularly tornadoes and cyclones. Being situated on a coast with exposure to the north and west makes storm surge and tsunamis a risk, particularly to above-ground assets close to the coast. Coastal erosion and inundation is also a significant natural hazard. While we have invested in protection works, the potential impact of rising

Guiding Themes

sea levels on coastal erosion rates does require consideration and planning for alternatives such as planned and coordinated retreat strategy is required.

There are a number of active fault lines in the district, both on and off-shore, which could cause a significant earthquake event. Studies show that liquefaction is not a significant risk for the Taranaki region.

Climate change

The Ministry for the Environment projections of climate variance for Taranaki could adversely affect the district's infrastructure. Increased frequency and length of dry periods in summer water could affect water supply over summer months. It could also increase the likelihood of blockages and related dry-weather overflows of the wastewater system.

Increased frequency and more intense rainfall in winter months could lead to:

- Increase in overflow events caused by inflow/infiltration into the wastewater network.
- Increased flooding and erosion caused by stormwater system overload.
- Road failure as a result of weakened pavements and slip events.
- Compromised user safety on roads and bridges as a result of weather related damage/slippage/flooding.
- Increased stormwater in parks and reserves, possibly increasing erosion.

Ageing population

Currently 18 per cent of the district's population is aged 65 or older. This number is expected to increase to 26 per cent by 2028. At the same time, the working age population (15-65) is expected to decrease from 60 per cent in 2018 to 55 per cent in 2028. The potential impacts of these changes demographic shifts include:

- An increase in the percentage of fixed income ratepayers resulting in downward pressure on rates.
- An increased demand for accessibility of footpaths and other Council assets.
- An increase in demand on the Council's housing for the elderly service.

We need to cater for an ageing population so that our community remains connected, is less reliant on cars, and the elderly and less physically able remain actively engaged in the lifestyle our district offers.

What if we don't build resilience?

It is prudent for the Council to factor resilience into infrastructure decisions. Building resilience minimises the risk of harm to our community and our environment and better ensures uninterrupted services during natural disasters or other significant events.

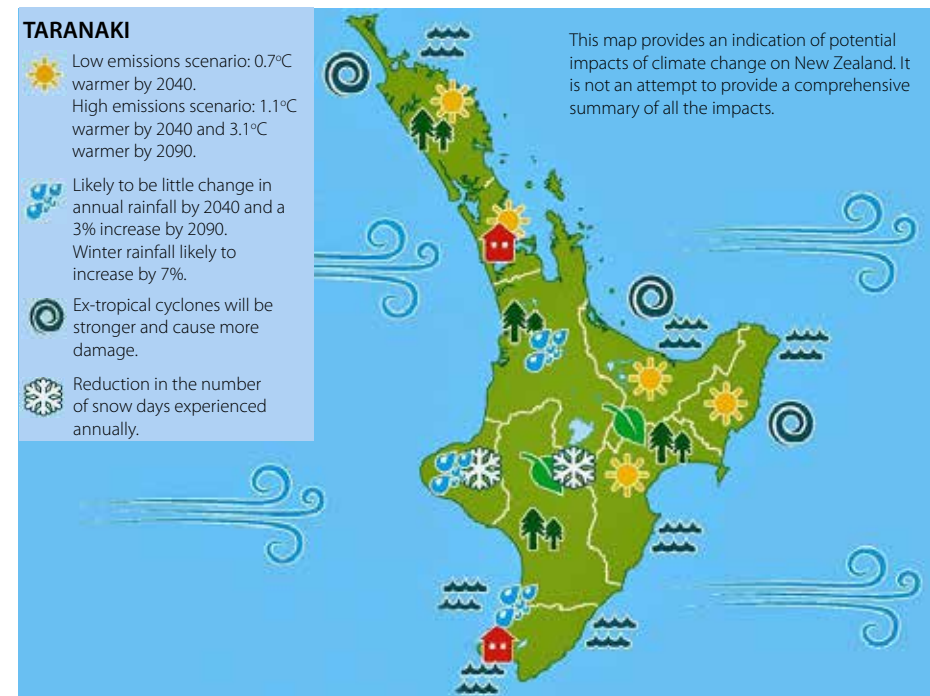


Figure 3: Potential climate change impacts (Ministry for the Environment, www.mfe.govt.nz)

INFRASTRUCTURE BY ACTIVITY

In this section we highlight the significant infrastructure issues we are likely to face over the life of this strategy within the following infrastructure asset groupings: water supply, wastewater, stormwater, flood protection, transportation, recreation and open space, and solid waste.

Within each grouping, we discuss the infrastructure issues related that asset group and present the possible options for managing those issues in relation to our guiding themes:

- What we need to renew.
- Responding to growth.
- Meeting community expectations.
- Building resilience.

We also outline the significant expenditure highlights anticipated over the next 30 years.

Asset values presented are from the 2016 certified valuation conducted by Council staff and registered valuers. All assumptions have been peer reviewed against industry benchmarks and audited by Audit New Zealand. All condition scores given to assets are based on National Asset Management Support Group (NAMS) guidelines.

Water Supply

The Council operates four separate water supplies in the district, providing approximately 32m litres of water per day to just under 28,000 households and businesses. We develop, operate and maintain water treatment plants to meet water quality standards. We also manage pump stations, pipe networks and storage facilities such as reservoirs to ensure our community has a reliable and sustainable supply of fresh water.

Key Water Supply Issues

- High water consumption means the district is already at risk of demand exceeding supply.
- An increasing population will put added pressure on supply. It may be difficult to meet community expectations of a consistent water supply and maintain a contingency supply for emergencies.
- Ageing infrastructure such as asbestos piping requires replacement.
- Inglewood's water supply is experiencing discolouration.
- Meaningful iwi engagement.
- Adapting to new water safety regulations.
- Changing regulations due to freshwater reforms.

Demand for water

One of the most significant water supply issues the district faces is demand exceeding supply.

On average, New Plymouth residents consume 30 per cent more water than the national average. Low river levels over the dry months of summer have become more frequent and longer in duration in the past 10 years. Combined with increases in tourist numbers during summer months, we are already at risk of our peak demand coinciding with low flow periods.

Infrastructure by Activity

Water Supply

Under current usage, our primary source of water has storage capacity for about 10 days of supply at any given time. In line with the district's growth projections, demand for water is expected to grow by 20 per cent over the next 30 years.

We are now at the point where our communities need to significantly reduce water consumption, and make decisions about investing in new infrastructure to maintain a constant and reliable water supply into the future.

Water Master Plan

We have developed a preliminary Water Master Plan, which takes a long term view of the water needs across the district. In developing this plan, we've used a computer model of our water system to help identify network weaknesses and opportunities for investment. The investment programme proposed in the Water Master Plan includes:

- Implementing a demand management programme including education, leak detection, pressure reduction and universal water metering.
- Increasing storage capacity in some of our reservoirs.
- Increasing the capacity of some of our trunk mains.
- Finding a new and additional water source.

Demand management

Whatever decisions we make about our future water supply, in the short term we need to reduce the amount of water we consume. Finding and securing more water will be necessary in the medium to long term but our water resources will last longer if we avoid wasting water today. Reducing our consumption will also delay the requirement for new sources of water, delaying the costly investment required for new infrastructure.

Our primary demand management options are:

- Applying water restrictions.
- Detecting and repairing leaks in the network.
- Implementing universal water metering.

- Reducing water pressure within the distribution network (less coming out of the tap and less pipe leakage).
- Encouraging the use of private water tanks.
- Educating our communities about water conservation.

In the short term, we will be implementing a combination of these demand management solutions. Implementing universal water metering is a big step for our community and as a result we will continue this conversation with the community in the future.

Water safety

The Havelock North Drinking Water Inquiry has raised significant issues about the way water supplies are managed and delivered in New Zealand. Safe potable water supplies are essential services for the health and well-being of our communities. We are in the process of investigating the provision of water across the district and making changes as required.

What we need to renew

Repairing and replacing the infrastructure we already have is one of our key priorities. The map shows the extent of the water supply network in the district. Areas requiring renewal over the life of this strategy are highlighted in red.

Ageing infrastructure

We use forecasting models to plan long-range renewal requirements. According to best practice we have adopted a risk based approach using criticality and condition assessments and failure mode analysis rather than age to prioritise what assets are to be renewed first. Prioritising replacement of critical assets reduces consequences of failure for the community, reserving money to pay for emergency renewals as they occur in less critical pipes. We then see less critical assets run to failure, achieving maximum life and value for money. Service disruption is limited to the repair of less critical assets at the time of failure. We have also grouped renewals geographically to maximise opportunities for procurement efficiencies and to minimise disruption to the community.

Asbestos Cement (AC) pipes, which were widely used in the 1960s, are now approaching the end of their life. Not only are they susceptible to leakage, they also reach a point when they are irreparable. Replacing AC pipes with modern materials with a longer life expectancy will also reduce the long term cost of funding depreciation.

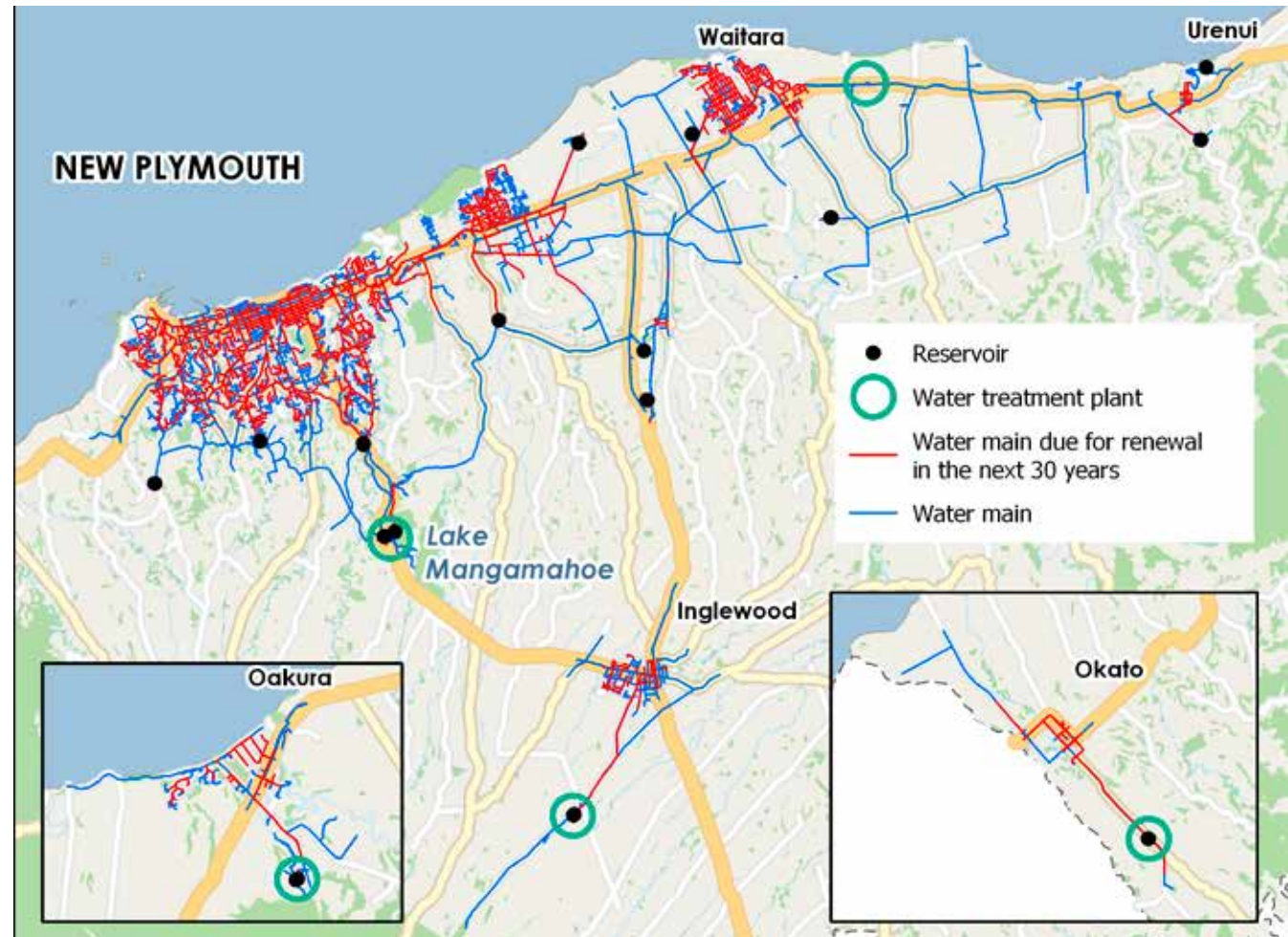


Figure 4: Water supply network renewal

Infrastructure by Activity

Water Supply

Response to growth

The district's population projections and the resulting demand for water poses significant issues for our water supply. As a community, we use more water over summer when water levels are at their lowest. With demand already at its peak, the district's growing tourist numbers during summer months put additional pressure on supply. As a community, we need to give serious consideration to how we want to manage our water resources and provide for growth in the district.

Options	Implications
1. Amend the Council's water abstraction consent so that we can take more water.	<ul style="list-style-type: none"> Estimated cost circa \$1m. Three years required to implement. Effective lifespan of circa 10 years. Demand management still likely required depending on how much of an increase is granted. Taranaki Regional Council may not grant a lower allocation to the resource consent.
2. Secure a new water source and build a new water treatment plant.	<ul style="list-style-type: none"> Estimated cost circa \$30m. Ten to 15 years to implement. Effective lifespan of circa 30+ years. Demand management required in the short term. Risks around Taranaki Regional Council not granting consent and the availability of required water volume.

Options	Implications
3. Secure a new water source, build a new water treatment plant and build lake storage, e.g. new dam.	<ul style="list-style-type: none"> Estimated cost of \$70-100m. Twenty years to implement. Effective lifespan circa 50+ years. Demand management required in the short term. Risks around availability and acquisition of suitable land and availability of required water volume Potential recreational opportunities on a newly created lake.

Preferred Response: Options 2 or 3

We are starting to plan for a new water source being required around 2026-2028. This requires a significant financial investment from the community of approximately \$30m. The details of this project are yet to be determined and will involve a high degree of community consultation, including meaningful iwi participation.

Servicing growth areas

A number of new growth areas have been identified in or around existing urban areas to meet our growing housing requirements. These areas sometimes require alterations or extensions of the existing water network. These will be paid for by property developers when they undertake development in accordance with our Development Contributions Policy. There are also some larger more centralised upgrades required to cater for projected growth. These are listed in the significant expenditure highlights further on in this section.

Large new subdivisions at higher levels (over 90 metres above sea level) will likely require an additional pump stations to deliver adequate water pressure to new housing areas. The cost of these pump stations will be recovered from property developers at the time of development.

Smart Road growth area

The District Blueprint identifies the Smart Road area as potentially providing for a significant portion of the district's growth needs over the next 30 years. Water related infrastructure required to cater for this growth includes a new water trunk main estimated at \$5m and water reservoir estimated at \$4m. A significant portion of this cost would be recovered by developers of property in this growth area. Development of the lower Smart Road area is currently programmed for around 2035. However, planning for the water trunk main will begin within the next 10 years.

Reticulating rural townships - Okato water supply

The Mangatete Stream is the main water supply to the 561 residents of the Okato township. This supply will sufficiently meet the predicted short to medium growth in the Okato area. The Council will continue to engage with the Okato community on water supply solutions as the township grows.

Reticulating rural townships - Egmont Village water supply

The 483 residents of Egmont Village township currently source water from privately owned water tanks. Previous investigations show that a reticulated water supply in the village would cost in the order of \$9m. The Council's current priority is to invest in areas of high growth within the district. Egmont Village has not been identified as an area of high growth. Therefore, we do not foresee water reticulation in this area within the lifetime of this Infrastructure Strategy.

Meeting community expectations

Our community expects clean, clear water at an appropriate pressure. Currently, Inglewood's water supply is discoloured, which is a priority issue for the Council. Two factors cause this discolouration:

1. The cast iron and steel pipes in and around the CBD are corroding, causing discolouration as water passes through them.
2. There are low flow levels in the trunk mains from the Inglewood Treatment Plant to the township. This results in sediment depositing on the bottom of the pipes, which is stirred up during periods of high use and increased flow.

Options	Implications
1. Invest in a long term solution to Inglewood's water discolouration issue.	Requires significant Council investment and will result in a cost to the wider community.
2. Do not invest in a long-term solution to Inglewood's water discolouration issue.	The Council investment is restricted to short-term cleaning and therefore the cost to the community is reduced.

Preferred Response: Option 1

The existing treatment process means water is supplied to New Zealand drinking water standards. However, the discolouration is an issue affecting levels of service and community expectations.

A two phase project is currently underway. Phase one involves using a specialised truck to clean nearly all of the town's water pipes, including the two trunk mains. This will remove as much of deposited mineral material as possible. Phase two involves replacing about 6.8km of older water pipes in the Inglewood township.

Building resilience

The key resilience issues facing the district in relation to water supply over the next 30 plus years include:

1. The network requires significant investment in a variety of ways if it is to become more resilient.
2. Ageing asbestos cement (AC) pipes expose the network to increasing risk of catastrophic failure during a significant earthquake.
3. Contamination of water sources (Lake Mangamahoe, three rivers and Ōākura bore).
4. Longer dry periods in summer with population and tourism growth adding additional demand.

Infrastructure by Activity

Water Supply

The ex-cyclone Gita event of February 2018 that resulted in water shortages across the district highlighted weaknesses in our water supply network. As a result the community now has the option of addressing these weaknesses, and to what extent, or maintaining the network in its current state.

Our options for meeting increased demand have been discussed in the response to growth section above. Details of our approach to renewing ageing infrastructure using a risk-based programme can be found in the 'what we need to renew' section above. The options for building resilience into our water supply network are as follows.

Options	Implications
1. Invest more to look after our current water supply and wastewater networks.	<p>Cost of \$86.7m over the life of this strategy (majority going to water supply) and includes:</p> <ul style="list-style-type: none"> • More inspections and preventative maintenance. • More back-up spare parts for critical equipment. • Increase the number of backflow protection units on high risk properties. • Enhanced scenario based planning and mitigation for weather events. • Investigate options for improving the resilience of water sources.
2. Invest in upgrades to make our water supply and wastewater networks more resilient.	<p>Cost of \$89.9m (majority going to water supply) and includes:</p> <ul style="list-style-type: none"> • Upgrade our critical pipe bridges. • Upgrade our three water supply and 30 wastewater pump stations to be more reliable.

Options	Implications
	<ul style="list-style-type: none"> • Design back up options for parts of our water supply network that only have one pipe. • More back-up spare parts for critical equipment.
3. Invest more to look after our current water supply and wastewater networks AND invest in upgrades to make our water supply and wastewater networks more resilient. Includes options 1 and 2.	<p>Cost of \$117.4m (majority going to water supply).</p> <p>A combination of both options 1 and 2.</p>
4. A significant investment to ensure our water supply, wastewater and stormwater networks are robust.	<p>Cost of \$216m (majority going to water supply).</p> <p>As well as everything in Option 3, this investment would include:</p> <ul style="list-style-type: none"> • Build a second water pipe bridge across the Waitara River. • Increased investment in pipe renewals by \$30m so we can replace our aging network. • Bring forward the second road bridge across the Waiwhakaiho River. • Upgrade our flood protection dams. • Increased investment in Waitara's stormwater systems by an additional \$8m.
5. Do not invest in projects that increase the resilience of our infrastructure.	No additional cost.

Preferred Response: Option 3

The Council is intending on investing \$117.4m over the life of this strategy to increase the resiliency of our water supply network and to a lesser extent our wastewater and stormwater networks. Refer to the building resilience section above for a high level list of resilience projects proposed across all infrastructure types.

As previously discussed, implementing demand management measures to reduce consumption is a short-term response that will buy some time while we as a district decide how we will meet our growing water demands.

Replacing old pipes with PVC or polyethylene when they are due for upgrade will also increase the resilience of our network given the long life and durability of these materials.

The Ōākura bore is the only bore currently used as a community water source. We are currently compliant with the drinking water standards, however a \$1.5m upgrade is planned to ensure this water source remains safe.



Infrastructure by Activity

Water Supply

Expenditure

Significant Expenditure Highlights	Year	Cost	Primary Driver
Water resilience (multiple water projects)	2018-2048	\$55,200,000	Service Level
Water reticulation network renewal	2018-2048	\$3,585,000 p.a.	Renewal
New water source	2026-2028	\$30,140,000	Service level
Residential universal water metering	2022-2025	\$15,200,000	Service level
Water supply P&E and I&E renewals	2018-2048	\$1,050,000 p.a.	Renewal
Mountain Road and Henwood Road reservoirs	2018-2020	\$7,400,000	Growth
Smart Road water reservoir	2029	\$4,000,000	Growth
Smart Road water trunk main	2029-2033	\$5,000,000	Growth

10 Year Expenditure (includes inflation)

	Year 1 2018/19 \$m	Year 2 2019/20 \$m	Year 3 2020/21 \$m	Year 4 2021/22 \$m	Year 5 2022/23 \$m	Year 6 2023/24 \$m	Year 7 2024/25 \$m	Year 8 2025/26 \$m	Year 9 2026/27 \$m	Year 10 2027/28 \$m
Opex	12.74	13.70	14.32	14.94	16.02	16.47	16.89	17.23	18.05	18.91
Renewals	3.26	3.45	4.37	5.01	5.45	4.95	5.03	5.32	5.86	7.46
Service level	3.68	4.65	4.18	7.23	5.07	4.34	4.26	0.33	13.65	14.08
Growth	4.00	3.86	4.25	3.54	1.28	3.08	3.17	0.07	0.07	0.08

30 Year Expenditure (includes inflation)

	Years 1-5 2018-2022 \$m	Years 6-10 2023-2027 \$m	Years 11-15 2028-2032 \$m	Years 16-20 2033-2037 \$m	Years 21-25 2038-2042 \$m	Years 26-30 2043-2047 \$m
Opex	71.72	87.55	107.83	124.57	142.46	161.51
Renewals	21.54	28.62	22.03	19.10	16.12	17.59
Service level	24.81	36.65	4.06	4.52	4.97	5.43
Growth	16.93	6.47	12.04	0.41	3.08	0.50

Wastewater (sewage)

The wastewater reticulation network and pump station collects, domestic and industrial wastewater from more than 25,850 properties in urban New Plymouth, Bell Block, Waitara, Inglewood and Ōākura. We treat wastewater at the central New Plymouth Wastewater Treatment Plant (WWTP) before discharging the clean water via outfall to the sea. We also process the clean sludge at the Thermal Drying Facility (TDF) into Bioboost fertiliser which we sell throughout the country.

Key Wastewater Issues

- Ageing infrastructure compromising performance and resilience.
- Increased demand on existing infrastructure as a result of growth.
- Demand for new infrastructure as a result of growth.
- Meaningful iwi engagement.
- Community expectations of environmental management.

What we need to renew

Maintaining the infrastructure we already have is a key priority. Figure 5 shows the extent of the wastewater network in the district.

Upgrading the WWTP

In 2012, we began a \$23m upgrade of the centralised wastewater treatment plant. The plant is designed to meet the district's wastewater needs until 2040. The yet to be developed Three Waters

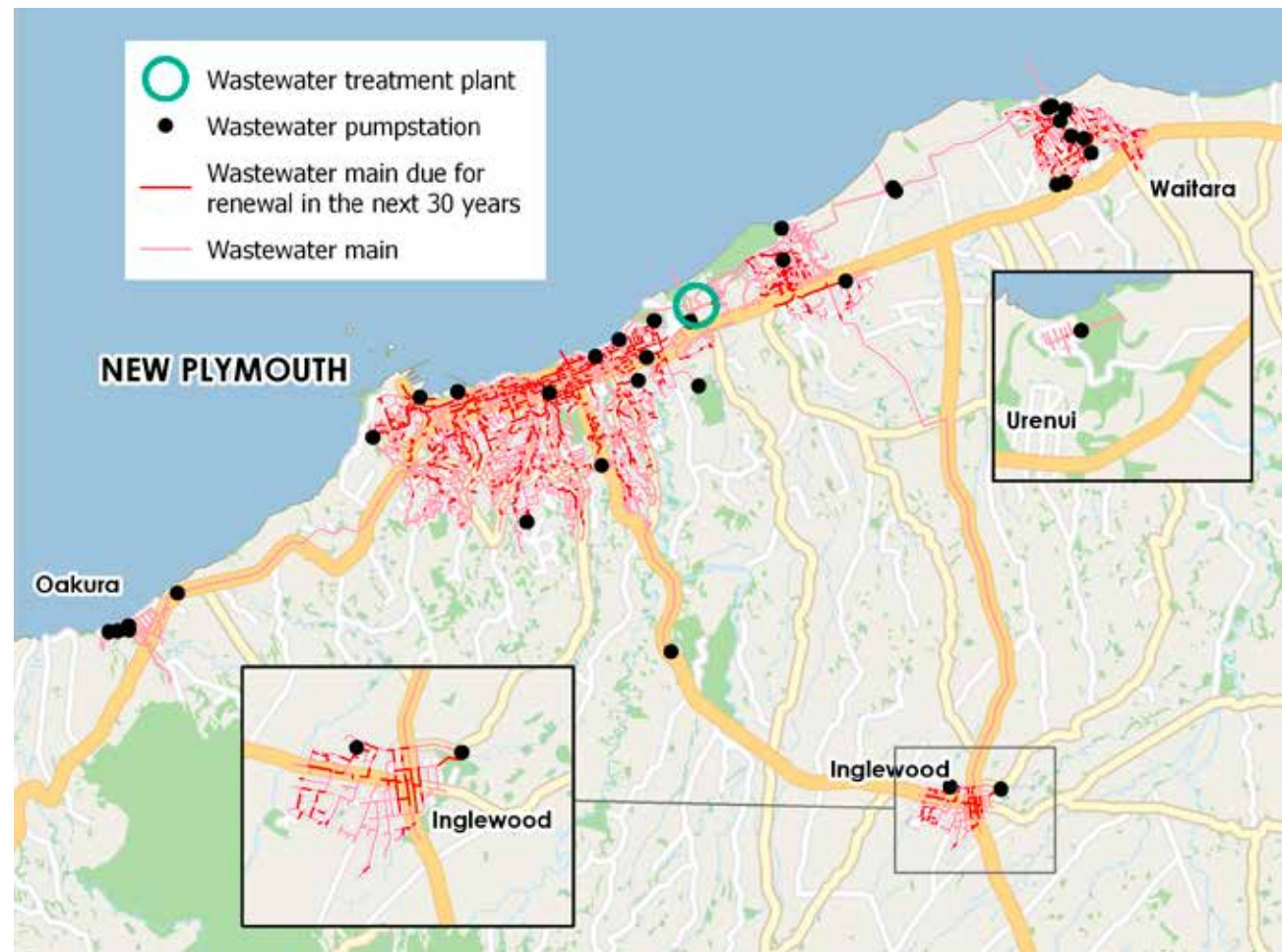


Figure 5: Wastewater network renewal

Infrastructure by Activity

Wastewater (Sewage)

Strategy, and the wastewater network modelling that will inform it, will provide more information in terms of the expected life of the WWTP and what a renewal of the facility might involve. Once the Three Waters Strategy and wastewater network modelling is complete we will be better informed to make the decision about the type of facility we would replace the existing facility with and when that replacement is likely to be needed. See our Wastewater Asset Management Plan for more details.

Replacing the thermal drier at the WWTP

The thermal drier used in processing treated sludge is nearing the end of its life. An upgrade costing approximately \$15m is due to begin in 2019.

Ageing infrastructure

As network infrastructure ages, it allows more inflow and infiltration of stormwater into the system, adding volume and costs to wastewater treatment. This is a significant issue that predicted increases in the frequency and intensity of rainfall will only exacerbate.

We use forecasting models to plan long-range renewal requirements. According to best practice we have adopted a risk based approach using criticality and condition assessments and failure mode analysis rather than age to prioritise what assets are to be renewed first. Prioritising replacement of critical assets reduces consequences of failure for the community, reserving money to pay for emergency renewals as they occur in less critical pipes. We then see less critical assets run to failure, achieving maximum life and value for money. Service disruption is limited to the repair of less critical assets at the time of failure. We have also grouped renewals geographically to maximise opportunities for procurement efficiencies and to minimise disruption to the community.

Response to growth

As the district's population grows demand on the wastewater system will increase in a number of ways:

- Increased demand on the existing network as a result of anticipated intensification of housing.

- Demand for new infrastructure in new growth areas.
- Increased demand on the central wastewater treatment plant resulting in upgrade requirements.

For the location of identified growth areas in the district, see Figure 2.

Bell Block and Area Q (eastern wastewater realignment project)

The Area Q residential growth in eastern Bell Block will provide up to 1000 new homes over the next five to 10 years. Currently, all wastewater from Bell Block and Inglewood is combined at Bell Block's Mangati pump station, before being piped for treatment at the central waste water treatment plant.

Population growth in Bell Block means that the Mangati pump station is already struggling to cope with this combined flow. In order to address this, we are planning the Eastern Sewer Realignment project, which will divert some of Inglewood's sewage to the new pump station installed at Area Q. This will take the pressure off the Mangati pump station and give the new Area Q pump station enough volume to operate effectively. As Area Q is developed, Inglewood's sewage will need to go elsewhere. At that point Inglewood's sewage will be piped to the yet to be constructed Area N (new industrial zoned land) pump station, and the temporary connection between Inglewood and Area Q will be disconnected. This project is the most cost effective way to service both Area Q and Area N, and manage Inglewood's sewage. This project will cost approximately \$8.6m, a large portion of which will be recovered from developers of land in these areas, in accordance with our Development Contributions Policy.

Junction, Upper Carrington and Ōākura growth areas

Full development of these growth areas requires small upgrades to the wastewater which will be paid for by the relevant property developer(s).

Frankley/Cowling growth area

The fact that the wastewater network currently terminates near Arundel Crescent is restricting development in Area E (already zoned for residential development), and a new growth area planned between Frankley and Cowling roads. An extension of the wastewater in this area has been mooted for some time at an

estimated cost of \$3m. Some of these costs would be recovered by contributions from property developers in these areas. The extension of this wastewater is planned for approximately 2029 in order to allow the growth area to be developed in accordance with our growth strategy.

Smart Road growth area

The wastewater infrastructure required in order for this area to be developed includes a new wastewater trunk main and an upgrade to the Glen Avon Pump Station estimated at \$12.5m. A significant portion of this cost would be recovered by developers of property in this growth area. Development of the lower Smart Road area is currently programmed for around 2035. However, planning for this infrastructure will begin within the next 10 years.

Reticulating rural townships

Rural communities such as Egmont Village, Urenui, Onaero, and Okato have expressed a desire extension of the wastewater network into the townships to allow for growth and address perceived environmental and public health issues.

Options	Implications
1. Prioritise the extension of the wastewater network into urban growth areas that will accommodate a larger amount of new houses to provide for increasing housing demand.	Increased demand for housing as a result of growth is likely to be met because the urban growth areas are able to provide a large amount of new houses. Costs are generally recovered from property developers at the time of land development.
2. Prioritise the extension of the wastewater network into our townships.	Increased demand for housing as a result of growth is unlikely to be met by the limited number of new lots that can be provided in and around our rural townships. Requires expenditure, too large to recover from property developers alone and would likely impact the wider community.

Preferred Response - Short-term: Option 1

The Council's investigations have found that the cost to extend wastewater reticulation to rural areas varies between \$5m for Okato and \$17m for Urenui. Any known environmental or public health issues as a result of malfunctioning septic tank systems would drive further investigation into extending reticulation into rural townships. However, neither the Taranaki Regional Council nor the Taranaki District Health Board believes this to be the case.

In the short-term, the Council intends prioritising the extension of the existing wastewater into growth areas that can be developed into smaller residential lots on the outskirts of existing urban areas. This is a more efficient use of resources compared with extending the wastewater great distances into townships that can meet only a small portion of the district's growing housing demand. The Council does not foresee the extension of the wastewater into rural townships during the life of this Infrastructure Strategy.

Meeting community expectations

The limited emergency wastewater storage capacity of our wastewater pump stations can result in overflows into the environment during emergencies such as power cuts or other system failure. In meeting community expectations we need to plan for such events and minimise the impact of wastewater on the environment.

Options	Implications
1. Invest in projects to reduce the likelihood of sewage overflow in to the environment.	Projects such as the installation of emergency storage at pump stations across the network and the work required to avoid the use of the Waitara marine outfall come at a cost the community.
2. Make no significant changes to the way wastewater is dealt with during emergencies.	Avoids costs. Pump stations across the network remain at risk of localised sewage overflows and the Waitara marine outfall is used during emergencies.

Infrastructure by Activity

Wastewater (Sewage)

Preferred Response: Option 1

To decrease the likelihood over wastewater overflow into the environment we intend investing \$17m over the life of the strategy. We are currently investigating a project that will eliminate the need to use the Waitara marine outfall during emergencies. This project will also remove the need to renew the outfall pipe, saving significant costs.

Building resilience

Predicted changes in future weather patterns and other environmental hazards could have implications for the wastewater network:

- Increased rainfall could cause more inflow resulting in an increase in frequency and volume of overflow events.
- Longer dry spells could increase the likelihood of blockages and related dry-weather overflows.
- Our susceptibility to earthquakes means the wastewater network needs to be able to withstand small events and recover quickly from major events.

The ex-cyclone Gita event of February 2018 that resulted in water shortages across the district highlighted weaknesses in our wastewater network (in addition to our water network). As a result the community now has the option of addressing these weaknesses or maintaining the network in its current state. There are a number of projects planned to increase the resilience of wastewater network (see guiding themes section).

Options	Implications
1. Invest in projects that increase the resilience of our wastewater network.	Investing in projects that increase our network's resiliency will result in increased costs upfront. However, this investment reduces the risk of catastrophic damage to the network during an earthquake. It is prudent we ensure our network can withstand a major event, or be restored to service as soon as possible after an event.

Options	Implications
2. Do not invest in projects that increase the resilience of our wastewater network.	Not investing in projects that increase the resilience of our network avoids short term cost. However, our community would remain at risk of interruptions to wastewater services after a major event.

Preferred Response: Option 1

The Council is intending on investing \$45.7m over the life of this strategy to improve the resiliency of our wastewater network. Refer to the Building Resilience section above for a list of proposed projects

The Council has opted to use more resilient pipes in all upgrades and new growth areas. PVC (M grade) pipes are now commonly installed as a more durable and long lasting solution. Polyethylene was used in the Waitara to New Plymouth rising wastewater main, and is currently being installed in the Area Q trunk wastewater construction. Polyethylene was selected for these two projects because it is more flexible than PVC and has fewer joints, so it is less likely to break during an earthquake. However, polyethylene is more difficult to both repair and connect to, so is best suited for use in trunk mains with few direct connections.

As we develop our integrated Three Waters Strategy, we will examine ways to enhance asset resilience, by looking at opportunities such as installing alternative trunk mains to provide additional capacity rather than replacing an existing trunk main with a larger sized pipe. Wastewater modelling technology still under development will help us investigate and understand these opportunities.

Infrastructure by Activity Wastewater (Sewage)

Expenditure

Significant Expenditure Highlights	Year	Cost	Primary Driver
Wastewater resilience (multiple wastewater projects)	2018-2048	45,700,000	Service Level
Wastewater reticulation network renewals	2018-2048	\$1,600,000 p.a.	Renewal
Thermal dryer upgrade	2019-2021	\$15,600,000	Renewal/Service Level/Growth
Eastern sewer network realignment	2021-2022	\$8,600,000	Growth
General P&E and I&E renewals	2018-2048	\$580,000 p.a.	Renewal
Wastewater pump station overflow prevention	2018-2048	\$17m	Service Level
Urenui Domain re sewerer	2021-2022	\$1,600,000	Renewal/Service Level
Smart Road sewer	2033-2035	\$12,500,000	Growth

10 Year Expenditure (includes inflation)

	Year 1 2018/19 \$m	Year 2 2019/20 \$m	Year 3 2020/21 \$m	Year 4 2021/22 \$m	Year 5 2022/23 \$m	Year 6 2023/24 \$m	Year 7 2024/25 \$m	Year 8 2025/26 \$m	Year 9 2026/27 \$m	Year 10 2027/28 \$m
Opex	16.83	17.73	18.08	18.67	19.35	19.49	19.62	20.14	20.28	20.51
Renewals	3.40	5.75	9.88	4.38	2.39	2.44	2.50	2.56	2.63	2.69
Service level	1.80	1.35	1.23	1.66	1.23	1.09	1.12	1.15	1.17	1.20
Growth	1.47	2.60	3.25	8.71	0.37	0.11	0.12	0.12	0.12	0.12

30 Year Expenditure (includes inflation)

	Years 1-5 2018-2022 \$m	Years 6-10 2023-2027 \$m	Years 11-15 2028-2032 \$m	Years 16-20 2033-2037 \$m	Years 21-25 2038-2042 \$m	Years 26-30 2043-2047 \$m
Opex	90.67	100.04	117.49	133.56	150.51	168.36
Renewals	25.81	12.82	22.44	26.57	28.61	31.23
Service level	7.27	5.73	4.02	4.47	4.92	5.37
Growth	16.40	0.59	10.18	7.68	0.57	0.62

Infrastructure by Activity

Stormwater

Stormwater

Over 300 rivers and streams cross Mt Taranaki's ring plain and run to the lowlands in a distinctive radial pattern. Following high-intensity rainfall water culminates in the various river catchments, draining quickly to the sea. Heavy rain has the potential to overwhelm stormwater systems and can cause localised flooding. These effects are usually short-term and related to a particular storm event. However, there are areas in the district that are more prone to these effects than others.

Key Stormwater Issues

- Predictions of more frequent and intense rainfall mean we need to work toward solutions for flood prone areas.
- Infill development within existing urban areas is increasing the ratio of impermeable surface to uncovered land, which can exacerbate flooding in low lying areas.
- We want to provide property developers the right guidance on designing developments with minimal flood risk but maximum benefits for water ecology.
- Meaningful iwi engagement.

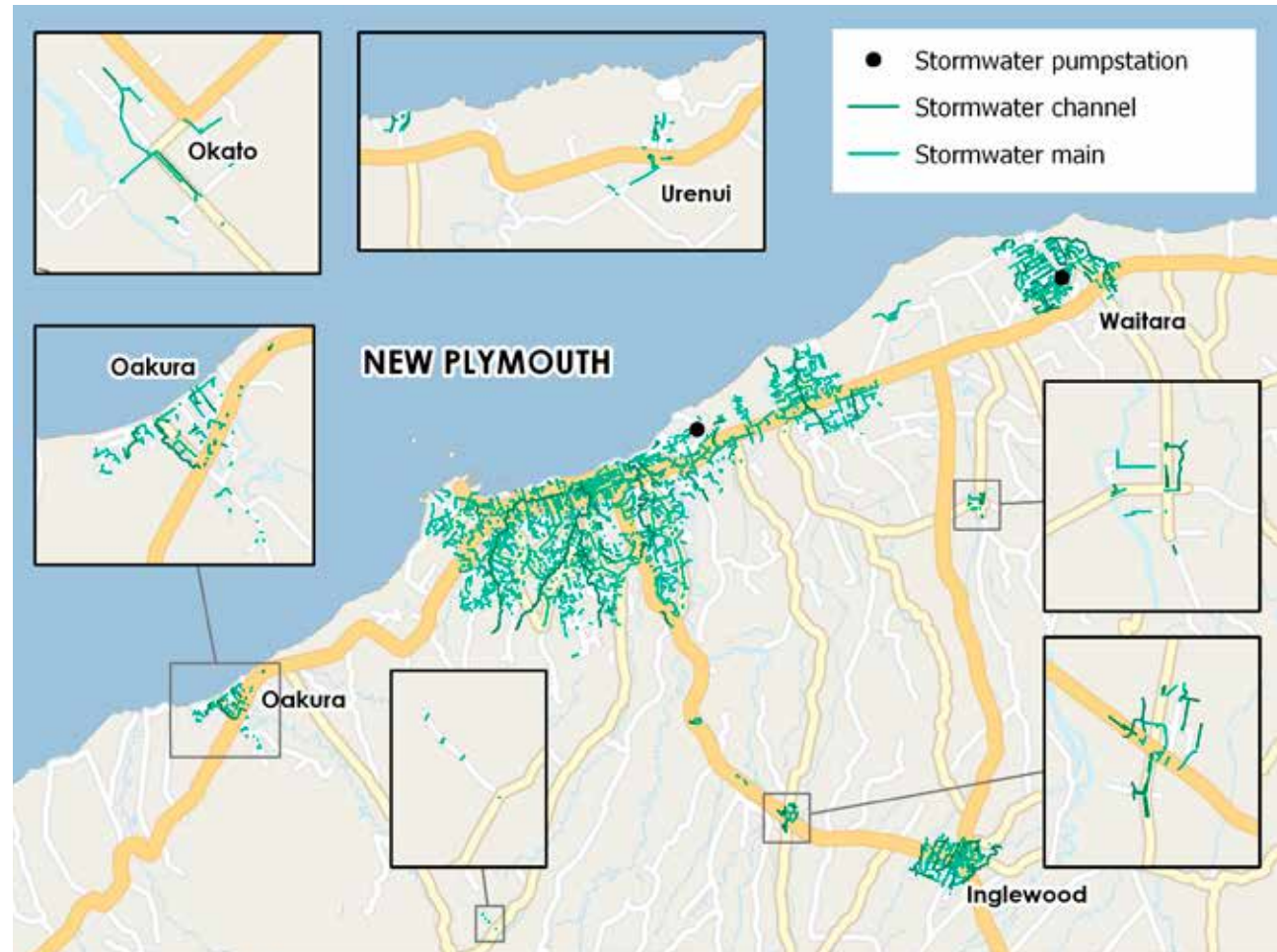


Figure 6: Existing stormwater infrastructure

Stormwater Catchment Management Plans

The Council has programmed development of a series of Stormwater Catchment Management Plans to assist with sustainable solutions to issues such as flood prone areas, population growth and climate change. Using network modelling technology, information gathered in developing these plans will provide a number of benefits including:

- Increased understanding of the extent of flooding in the district and priorities for investment that will deliver intended levels of service e.g. flooding contained to a defined acceptable limit.
- Management of urban growth and land development to minimise any adverse impacts on properties downstream and the wider receiving environment.
- Informing the technical standards for public and private storm water system performance.
- Informing the Council and the community about what 'water sensitive design' might look within each catchment.

What we need to renew

Managing stormwater within urban areas can be complicated. Pooling of stormwater in certain areas is caused by a wide range of factors. However, it is exacerbated by increased density of housing– a trend currently occurring within New Plymouth.

We use forecasting models to plan long-range renewal requirements. According to best practice we have adopted a risk based approach using criticality and condition assessments and failure mode analysis rather than age to prioritise what assets are to be renewed first. Prioritising replacement of critical assets reduces consequences of failure for the community, reserving money to pay for emergency renewals as they occur in less critical assets. We then see less critical assets run to failure, achieving maximum life and value for money. Service disruption is limited to the repair of less critical assets at the time of failure. We have also grouped renewals geographically to maximise opportunities for procurement efficiencies and to minimise disruption to the community.



Figure 7: Mangaone River catchment

Infrastructure by Activity

Stormwater

Identifying flood prone areas and prioritising them for renewal protects people and property, saving money over time. Stormwater Catchment Management Plans for each of our major river systems will help inform Council’s investment decisions at the time of renewal as well as guide new development.

Response to growth

As our population grows, there is more intensive living occurring in our urban areas. There are also new subdivisions being developed on the outskirts of existing urban areas. With an increased ratio of buildings and paved areas to grass, gardens and forest, we expect to see more intense ‘peak’ stormwater runoff events leading to a greater risk of flooding.

Options	Implications
1. Use stormwater catchment management information to create site specific guidance for property development to ensure developments are reduce the risk of flooding and provide ecological benefit.	Property developers would be required to consider subdivision layout and housing density in water sensitive areas so that land development reduces flood risks and protects ecology.
2. Retain the status quo in terms land development procedures and deal with flooding and/or ecological issues as they arise.	A piecemeal approach to stormwater management would prevail as property developer’s focus only on their sites. This may result in detrimental downstream and ecological effects requiring the Council to invest in infrastructure that could have otherwise been minimised or avoided.

Preferred Response: Option 1

It is likely that within each catchment there will be a combination of existing flood prone urban areas and new developments. The stormwater Catchment Management Plans in progress will help us understand where development is risky or likely to have detrimental downstream effects and what techniques will be the most likely to minimise flooding in that river catchment.

Taking a holistic, catchment based approach to development, as opposed to dealing with a specific site, means new development will have minimal impact on the rest of the catchment. We will also have a better understanding of the impending effects of any developments occurring upstream when investing in lower catchment assets.

The Catchment Management Plans will inform future District Plan revisions, including local engineering/surveying standards and subdivision design guidance for property developers in relation to the ration of buildings and paved areas to uncovered land.

A large portion of the Smart Road growth area is within the Mangaone River catchment. There are known choke points in the Mangaone River as it nears the industrial area near State Highway 3. It is highly likely that stormwater upgrades will be required at these chokes points as development occurs in this catchment at approximately \$4m in around 2032. The catchment management plan for this area will improve our understanding of what investment will be required.

Meeting community expectations

Heavy rain has the potential to overwhelm stormwater systems, causing harm to both the environment and community well-being. Some of our urban areas are prone to localised flooding during storm events. These include Makere Street in Waitara and the lower reaches of the Mangaotuku Stream in New Plymouth. We need to address these issues, particularly in light of predicted increases in annual rainfall and storm intensity. However, stormwater solutions often require significant civil works and come at a significant cost to the community.



Figure 8: Flooding in Joll Street Reserve (Waitara)

Options	Implications
1. Invest in long-term solutions in known flood prone areas.	Delivering long term solutions in flood prone areas is likely to come at a significant cost to the community and therefore require community consultation and support.
2. Attempt to fix flooding issues as they arise with smaller scale solutions.	Small scale solutions may reduce the impact of flooding on some residents and significant cost to the community is avoided or delayed. However this option may cost the community more over the long term and not resolve flooding issues that impact large areas. This may also result in simply moving the problem from area to area.

Preferred Response: Option 1

The Council is taking steps to reduce the frequency and severity of flooding resulting from rainfall. As mentioned previously, a fundamental step is the development of Catchment Management Plans for each of our major river systems. These plans will better enable us to understand local issues and possible solutions. The first Catchment Management Plan being developed is for Waitara. We have completed preliminary investigations and are currently developing some high level options for solutions. These will be presented to the community for consultation, including meaningful consultation with iwi.

Infrastructure by Activity

Stormwater

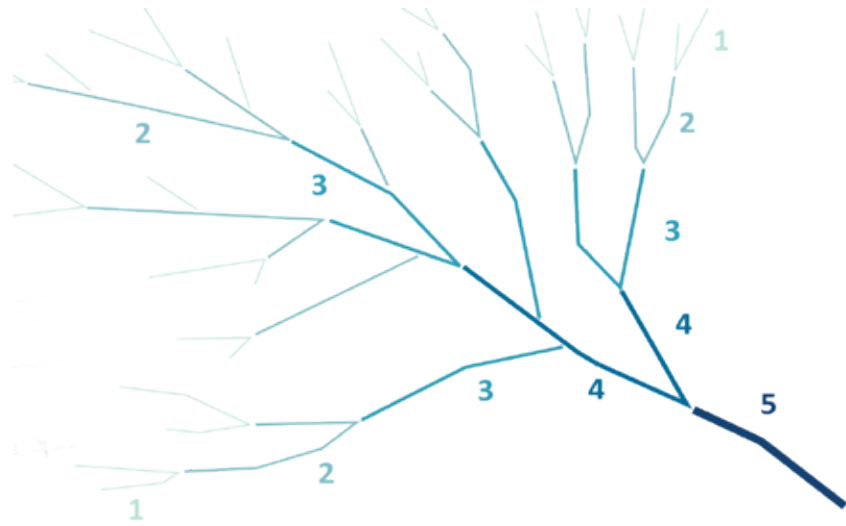


Figure 9: Stormwater catchment feeding into one river (water sensitive design for stormwater - Auckland Council)

Building resilience

Increased and more intense rainfall over time is likely to increase the frequency of stormwater system overloads, resulting in flooding.

When replacing existing infrastructure or adding new infrastructure we need to consider both the size and type of piping we install to cater for the future. If pipes are undersized they may not cope with increased stormwater flows and will require premature replacement, at a cost to the community.

The design and layout of new subdivisions also needs to consider existing natural stormwater flow paths. Using fewer pipes and designing systems that retain natural flow paths can reduce the risk of flooding and result in ecological benefits.

Options	Implications
1. Retain existing stormwater management practices and do not increase pipe sizes to account for increasing rainfall frequency and/or intensity.	Piped systems are 'tried and tested'. However, premature replacement may be required if they are not adequately sized to cater for increasing rainfall frequency and intensity, creating more costs. Potential 'water sensitive design' benefits are not realised e.g. flood resilience, ecological, amenity.
2. Retain existing practices but increase pipe sizes to account for increasing rainfall frequency and intensity.	Oversizing pipes to cater for future rainfall predictions will result in additional upfront cost to developers and rate payers but may avoid early replacement. Potential 'water sensitive design' benefits not realised e.g. flood resilience, ecological, amenity.
3. Ensure new Council owned stormwater assets and/or private subdivisions are designed using principles of 'water sensitive design'. This will result in a combination of pipes (sized for climate change) and assets that mimic natural processes.	Education and localised testing of 'water sensitive design' techniques will be required. There may be some resistance from property developers who do not see the value in 'water sensitive design', especially if it has greater upfront costs. 'Water sensitive design' benefits will be realised in the appropriate context, e.g. flood resilience, ecological, amenity.

Preferred Response: Option 2 with a transition to Option 3

We are moving towards requiring new pipes/assets to account for climate change predictions in all new developments. In alignment with best practice within New Zealand, we assume a temperature increase of 2.1 degrees celsius by 2090 when determining stormwater pipe size using the National Institute of Water and Atmosphere's High Intensity Rainfall Design System. This stormwater pipe size guidance will apply to both the Council and private stormwater works.

Information from our stormwater Catchment Management Plans will help us determine the combination of stormwater management techniques that will best deliver the outcome desired outcome for each area e.g. remove rain water quickly or store it on site during storm events. Using water sensitive design can also achieve enhanced outcomes for both ecosystems and our communities. These principles seek to protect and enhance natural freshwater systems and mimic natural processes. We are shifting our focus toward allowing water to follow its natural course (protecting secondary overland flow paths).



Figure 10: Water sensitive design example (Anselmi Ridge, Auckland Design Manual)



Figure 11: Water sensitive design example (Long Bay Auckland, Boffa Miskell)

Infrastructure by Activity

Stormwater

Expenditure

Significant Expenditure Highlights	Year	Cost	Primary Driver
Waitara stormwater upgrades	2019-2025	\$9,000,000	Service Level
Mangaotuku stormwater upgrades	2020-2021	\$3,600,000	Growth
Minor stormwater renewals and augmentations projects	2018-2048	\$220,000 p.a.	Renewal
Stormwater Master Plan	2020-2021	\$1,500,000	Growth
Mangaone catchment improvements (Smart Road growth area)	2031-2033	\$4,000,000	Growth

10 Year Expenditure (includes inflation)

	Year 1 2018/19 \$m	Year 2 2019/20 \$m	Year 3 2020/21 \$m	Year 4 2021/22 \$m	Year 5 2022/23 \$m	Year 6 2023/24 \$m	Year 7 2024/25 \$m	Year 8 2025/26 \$m	Year 9 2026/27 \$m	Year 10 2027/28 \$m
Opex	3.42	3.68	4.19	4.19	4.59	4.70	4.77	5.02	5.06	5.08
Renewals	0.21	0.22	0.33	0.33	0.23	0.24	0.24	0.25	0.25	0.26
Service level	0.05	0.55	4.66	2.44	2.17	2.22	0.95	0.06	0.07	0.07
Growth	0.05	0.07	1.55	0.16	0.16	0.16	0.11	0.08	0.08	0.08

30 Year Expenditure (includes inflation)

	Years 1-5 2018-2022 \$m	Years 6-10 2023-2027 \$m	Years 11-15 2028-2032 \$m	Years 16-20 2033-2037 \$m	Years 21-25 2038-2042 \$m	Years 26-30 2043-2047 \$m
Opex	20.07	24.63	38.43	54.44	72.54	92.75
Renewals	1.32	1.24	5.45	4.51	2.44	2.66
Service level	9.86	3.36	0.77	0.40	0.44	0.48
Growth	1.99	0.52	5.36	0.49	0.54	0.59

Flood Protection

Our Flood Protection and Control Works protect urban areas in New Plymouth District when the stormwater system becomes overloaded with rain. The service includes monitoring and maintaining existing flood protection schemes and planning of future flood protection measures.

Key Flood Protection Issue

Managing the likelihood and impact of flooding with increases in rainfall predicted.

What we need to renew

The Council has three diversion tunnels, three dams and a weir to protect New Plymouth from flood events. The replacement value for flood protection assets is \$18m or about one per cent of the Council's fixed asset base.

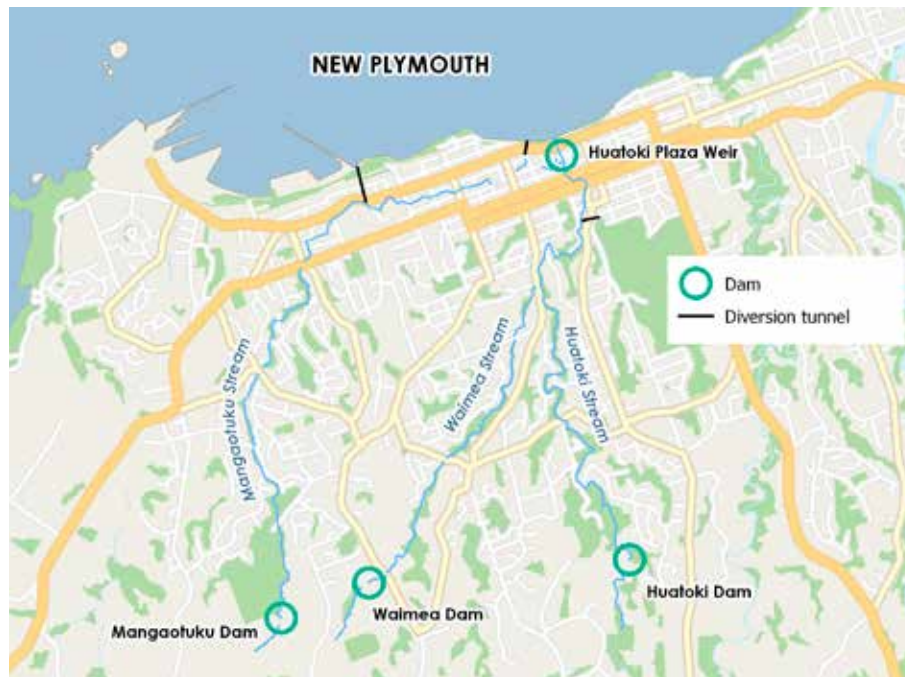


Figure 12: Location of flood protection assets

Building resilience

Despite some significant rainfall events over the past few years, the district's flood protection network has coped well and our flood protection measures have not been significantly tested.

Built in the 1980s, most of the dams and tunnels used for flood protection have a very long life expectancy. However, changing climatic conditions may mean we will need to revise and adjust the level of protection required over time.

A recent investigation has indicated that our three dams may overtop in a one in 100 year storm. The Council has already begun acquiring land adjacent to the Huatoki dam in order to protect our ability to raise the dam if that is deemed the best option moving forward. Further investigation is required to understand the options available in order to maintain the level of protection we have agreed with our community. However \$3.2m has been earmarked for years 2029–2033 of this IS.

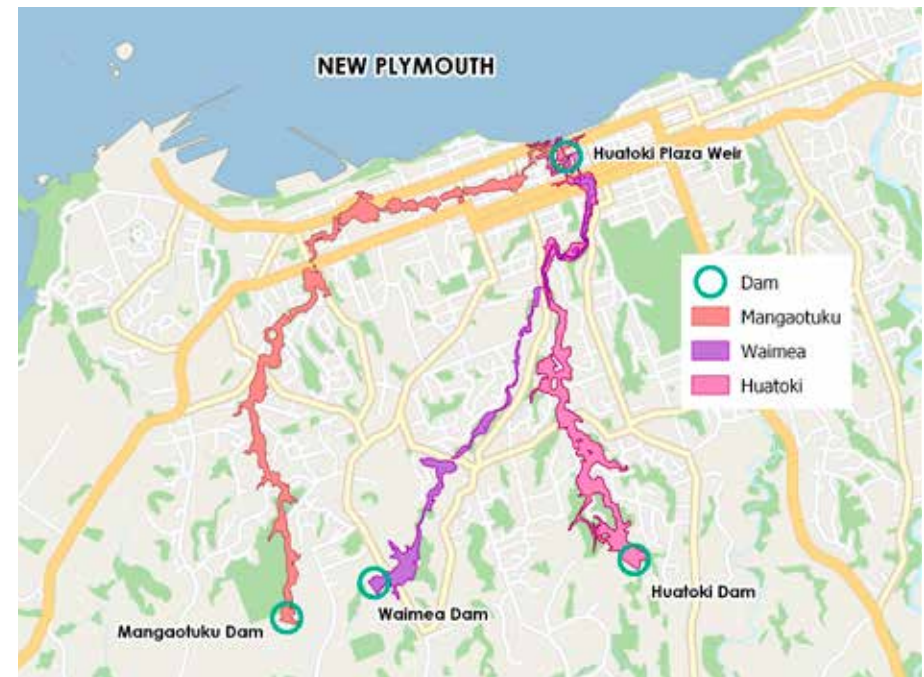


Figure 13: Extent of flood hazard in unlikely event of one of the detention dams falling while full

Infrastructure by Activity

Flood Protection

Expenditure

Significant Expenditure Highlights	Year	Cost	Primary Driver
Dam improvements	2029-2033	\$3,200,000	Service Level

10 Year Expenditure (includes inflation)

	Year 1 2018/19 \$m	Year 2 2019/20 \$m	Year 3 2020/21 \$m	Year 4 2021/22 \$m	Year 5 2022/23 \$m	Year 6 2023/24 \$m	Year 7 2024/25 \$m	Year 8 2025/26 \$m	Year 9 2026/27 \$m	Year 10 2027/28 \$m
Opex	0.218	0.237	0.205	0.210	0.219	0.295	0.302	0.338	0.385	0.395
Renewals	0.024	0.025	0.025	0.026	0.026	0.027	0.028	0.028	0.029	0.030
Service level	0.004	0.004	0.004	0.004	0.004	0.004	0.005	0.005	0.005	0.005
Growth	-	-	-	-	-	-	-	-	-	-

30 Year Expenditure (includes inflation)

	Years 1-5 2018-2022 \$m	Years 6-10 2023-2027 \$m	Years 11-15 2028-2032 \$m	Years 16-20 2033-2037 \$m	Years 21-25 2038-2042 \$m	Years 26-30 2043-2047 \$m
Opex	1.089	1.715	2.466	2.692	2.919	3.145
Renewals	0.126	0.142	0.050	0.044	-	-
Service level	0.021	0.024	3.216	-	-	-
Growth	-	-	-	-	-	-

Transportation

In general, the district's roads are in good condition. Compared with other parts of New Zealand, our roads have relatively low traffic volumes so roading failure as a result of wear generally only occurs in high stress areas. This is typically where heavy vehicles turn at key intersections and along some key arterial and primary collector roads. Most road surface failure is the result of age related degradation.

Key Transportation Issues

- Growth of population and climate change leading to increased maintenance and renewal requirements.
- Increased expectations of quality, and footpath and cycleway infrastructure.
- Growth of population and resiliency limited by a single Waiwhakaiho Bridge crossing.

What we need to renew

Growth in our population and economy leading to increased movement of people and goods requires an agile renewal programme that can adapt to the changing needs of the district. Renewals undertaken in our road rehabilitation programme include upgrading roads to take modern traffic loads. With the introduction of the New Zealand Transport Agency's 'One Network Road Classification' system, the Council is focusing on renewing the 'right assets' at the 'right time' with a 'fit for purpose' investment approach.

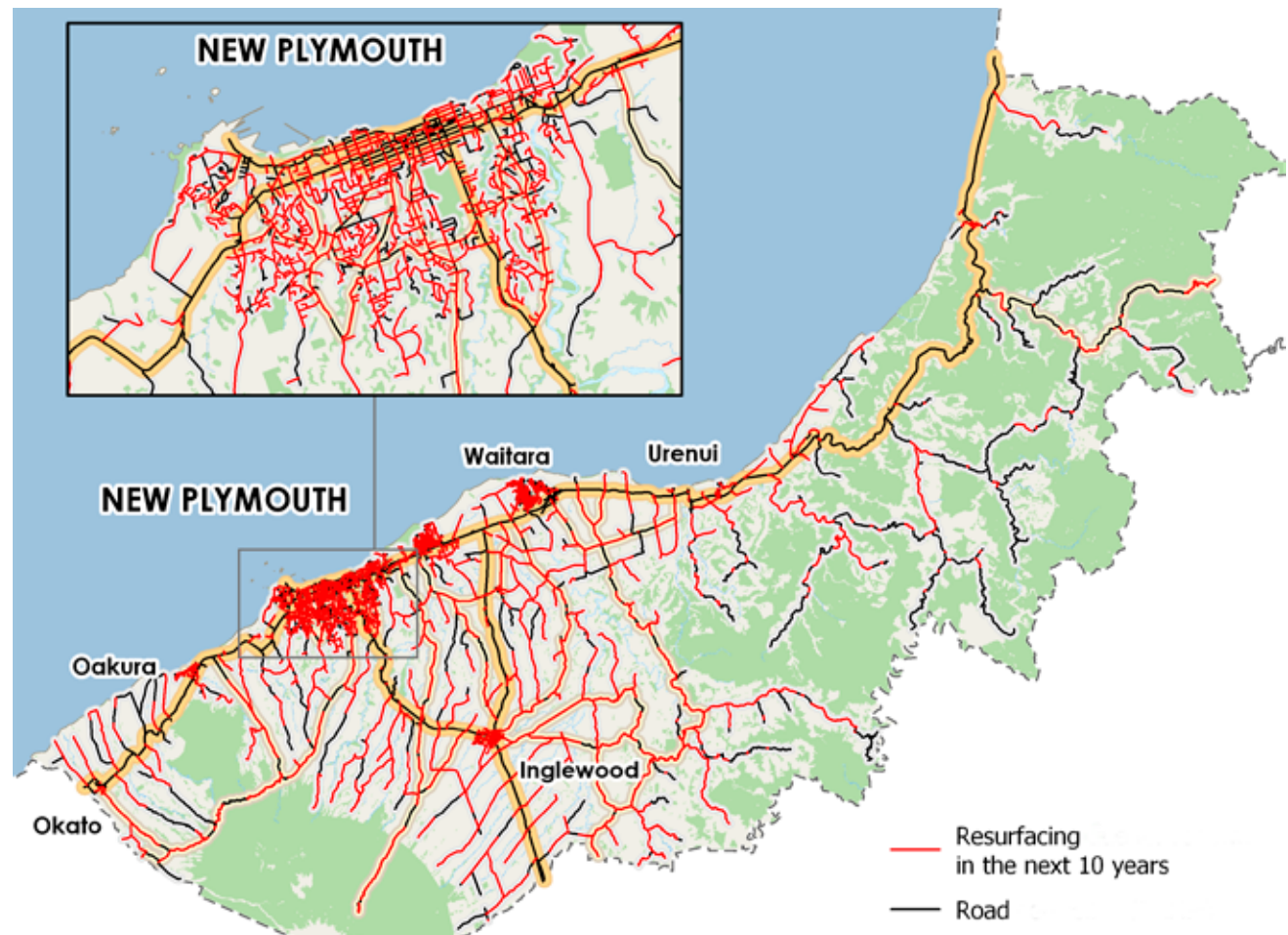


Figure 14: Roading renewals over the next 10 years

Infrastructure by Activity

Transportation

We use forecasting models to plan long-range renewal requirements. According to best practice we have adopted a risk based approach using criticality and condition assessments and failure mode analysis rather than age to prioritise what assets are to be renewed first. Prioritising replacement of critical assets reduces consequences of failure for the community, reserving money to pay for emergency renewals as they occur in less critical roads. We then see less critical assets run to failure, achieving maximum life and value for money. Service disruption is limited to the repair of less critical assets at the time of failure. We have also grouped renewals geographically to maximise opportunities for procurement efficiencies and to minimise disruption to the community.

Currently, resealing CBD surfaces, selected locations on arterial roads, primary collector roads with cycle lanes, and high wear areas such as heavy vehicle turning areas are high priorities for renewals. An implication of this focus is that we will need to monitor failure of roads in areas that service fewer people, and assess renewal requirement of those roads, if any.

Response to growth

As the population of the district continues to grow, demand on the transportation network will also continue to grow. We are already aware of limitations to the existing network. These limitations are likely to be exacerbated over time.

Options	Implications
1. Respond to growth related transportation infrastructure requirement as the need arises.	The Council's investment is not made until the need presents itself. This delays any additional cost to the community, but results in traffic issues building to a critical point, adversely affecting road users. Certain quick fixes may be required at either greater cost or providing only short term solutions. The implication of this is that additional investment would still be required.

Options	Implications
2. Conduct traffic network modelling to better understand the impacts of predicted growth and plan accordingly in advance.	The Council would develop a long term plan to cater for growth, investing at the most appropriate time. Allows for greater analysis of options, resulting in significant projects being cheaper. Allowing time for proper engagement with stakeholders may also create longer lasting solutions.

Preferred Response: Option 2

To understand the overall impact of projected growth on the district's transportation network computer modelling is required. We have programmed traffic modelling to occur over the next few years. This modelling will provide the information we need to make an informed decisions about the need, location and timing of a potential second bridge crossing over the Waiwhakaiho River to the Smart Road growth area. This modelling will also help identify and test the need for alternative roads around the perimeter of the existing urban New Plymouth area, such as a link road from Omata to State Highway 3 and linking Smart Road with industrial and rural land to the east.

In the interim, to meet our obligations under the NPS-UDC we have identified a requirement for investment in the growth areas listed below.

Growth Area	Road Infrastructure	Year Built	Cost
Upper Carrington growth area	Carrington Road widening	2020	\$1.1m
Bell Block, Area Q growth area	Airport Drive realignment (likely to be contributed to by external funders)	2021	\$3.4m
Ōākura growth area	Wairau Road intersection roundabout	2021	\$1.2m
Junction Road growth area	Junction Road bridge renewal into two lanes	2022	\$3.0m

Growth Area	Road Infrastructure	Year Built	Cost
Frankley/Cowling growth area	Frankley and Cowling roads widening	2029+	\$1.8m
Smart Road growth area	Second bridge crossing over Waiwhakaiho River and build new collector road	2030+	\$16.0m+

Meeting community expectations

There is a range of competing community needs in relation to the transportation network.

- Population growth and increased traffic means more wear and tear of CBD surfaces, selected arterial and primary collector roads.
- There are increasing expectations of our footpath and cycleway infrastructure.
- Rural customers expect high quality rural infrastructure, which in some areas is also experiencing higher use as a result of logging.

This requires a flexible management approach.

Options	Implications
1. Focus investment on high use areas of the transportation network.	High use areas are well developed and maintained. Low use areas degrade over time leaving localised groups of customers potentially dissatisfied.
2. Spread investment evenly across the transportation network.	High use areas may be underdeveloped and/or degrade quickly leaving a high proportion of customers potentially dissatisfied.

Preferred Response: Options 1 and 2

The Council intends to strike a balance between ensuring that high use areas are adequately developed and appropriately maintained, and providing a level of service in low use areas that is appropriate for the road type and extent of usage, i.e. 'right assets' at the 'right time' that are 'fit for purpose'.

The implication of adjusting the levels of service to meet the evolving needs of the community is that some people/groups may experience reduced service in order to improve levels of service in another area.

Building resilience

A resilient transportation network is critical to the social and economic wellbeing of the district. Predicted growth in both private and commercial road users will add pressure on the transportation system performance.

There is also a lack of viable alternative routes, which during a major event could result in significant delays, risking transport and utility severance. Movement east to west is currently restricted to a single crossing point over the Waiwhakaiho River via State Highway 3.

Within the New Plymouth District we have a significant portion of road network susceptible to slips during heavy rain.

Climate change could adversely affect the transportation network in two ways:

1. Faster deterioration of transportation infrastructure over time requiring more regular maintenance, impacting roading budgets and travel times.
2. Disruptions and safety issues resulting from extreme weather events or natural disasters.

Infrastructure by Activity

Transportation



Figure 15: Alternative east to west route if existing Waiwhakaiho River crossing was closed

Options	Implications
1. Develop and maintain the roading network to meet today's needs only. Replace 'like with like' when renewing assets at the end of their useful life.	Today's needs are met at an acceptable cost. Risk that less resilient assets fail to cope with increasing rainfall potentially resulting in expensive network fix ups. Risk of significant disruption during a major event if an alternative east to west crossing point over.
2. Take a 'whole of life' approach that considers long term network resilience for renewals and when planning significant projects.	Today's needs are balanced with preparing to meet the needs of tomorrow's customers. A 'whole of life' approach ensures that assets are built to last. This may result in additional costs up front, but savings over the long-term.

Preferred Response: Option 2

Likely increases in rainfall and the impact on roadside drainage capacity need to be considered in the short to medium term. Potential mitigation measures include increasing the capacity of drainage channels and enlarging through flow. We do not anticipate moving roading carriageways above potential areas of inundation in the short to medium term.

The Council is intending on investing \$10m over the life of this strategy to improve the resiliency of our road network, with a focus on slip prevention.

Planning a second Waiwhakaiho River crossing is critical for long term growth and has benefits for resiliency. If the existing crossing is damaged or closed, the city will be divided, with the only other crossing at Egmont Village. Estimates for a new crossing are approximately \$16m, including land acquisition and development costs.

Infrastructure by Activity Transportation

Expenditure

Significant Expenditure Highlights	Year	Cost	Primary Driver
Transportation reseal and rehabilitation	2018-2048	\$4,870,000 p.a	Renewal
Transportation resilience	2018-2048	\$10,000,000	Service Level
Extension of the Coastal Walkway to Waitara (this cost likely to be shared with external funder)	2018-2023	\$8,500,000	Service Level
Let's Go Model Communities - activities and infrastructure	2018-2048	\$500,000 p.a	Growth
Roads land purchase as per District Plan and rural widening	2018-2048	\$500,000 p.a	Growth
Smart Road/SH3 intersection upgrade	2025-2026	\$3,500,000	Growth
Airport Drive realignment and intersections	2021-2022	\$3,400,000	Growth
Second bridge crossing over Waiwhakaiho River	2030-2038	\$16,000,000	Growth

10 Year Expenditure (includes inflation)

	Year 1 2018/19 \$m	Year 2 2019/20 \$m	Year 3 2020/21 \$m	Year 4 2021/22 \$m	Year 5 2022/23 \$m	Year 6 2023/24 \$m	Year 7 2024/25 \$m	Year 8 2025/26 \$m	Year 9 2026/27 \$m	Year 10 2027/28 \$m
Opex	24.28	25.34	26.62	26.41	27.70	27.76	28.17	29.82	30.20	30.70
Renewals	9.58	10.17	15.50	9.53	9.19	11.11	9.44	9.68	9.91	10.17
Service level	3.61	3.12	2.90	4.56	3.08	3.64	3.17	3.96	3.33	3.42
Growth	0.46	0.42	0.47	2.23	0.49	0.62	0.50	3.34	0.53	0.54

30 Year Expenditure (includes inflation)

	Years 1-5 2018-2022 \$m	Years 6-10 2023-2027 \$m	Years 11-15 2028-2032 \$m	Years 16-20 2033-2037 \$m	Years 21-25 2038-2042 \$m	Years 26-30 2043-2047 \$m
Opex	130.35	146.65	204.70	254.87	310.31	371.04
Renewals	53.98	50.32	44.70	54.36	55.97	61.09
Service level	17.26	17.52	7.39	5.04	5.55	6.06
Growth	4.08	5.53	12.91	32.05	13.65	14.90

Infrastructure by Activity

Recreation and Open Space

Recreation and Open Space

Recreation and open spaces contribute positively to social, physical and mental well-being. Maintaining these assets contributes to our strategic priority of 'caring for our place', preserving and enhancing the natural environment. It also supports economic prosperity. The places, spaces and assets we manage and maintain include:

- 1,600 hectares of park and reserve land.
- 82 km of walkways, including 12.7km of coastal walkway.
- 48 playgrounds.
- Nine skate park sites.
- 24 sports parks for use by residents and visitors.
- Brooklands Zoo.
- 46 public toilets.
- TSB Stadium.
- Todd Energy Aquatic Centre.
- Four local community pools.

Key Recreation and Open Space Issues

- Our growing population will place additional pressure on existing parks and recreational spaces. It will likely drive development and maintenance of new parks and open spaces in new growth areas.
- Increases in the number of residents and in tourists will mean more use of facilities such as the Coastal Walkway, Pukekura Park, Brooklands Zoo, TSB Stadium and Todd Energy Aquatic Centre.
- Predicted increases in the frequency and intensity of storms and rising sea-levels are likely to result in increased risk to vulnerable beaches and coastal open spaces.

Our strategic vision is to build New Plymouth as the lifestyle capital of New Zealand. As we transition toward this vision, there will likely be improvements to key facilities and the introduction of some new facilities.

The Council currently meets the community's expectations in terms of the availability of parks and open spaces. As a result, new parks and open spaces are only likely to occur in new growth areas.

It is prudent that we look after the highly valued assets that we already have, such as Pukekura Park. There are a number of projects planned to ensure that this key facility remains fit for purpose and safe being: the maintenance of Festival of Lights infrastructure, renewing the exterior of the Tea House, playground shade structures, rebuilding the cricket ground terraces, maintaining walking paths and the dredging of the lake.

It is also important that biodiversity is maintained in our open spaces not only from an environmental perspective but to also encourage prosperity. Access to our thriving beaches, bush and mountain is an important part of being a lifestyle capital. Our biodiversity objectives are to collaborate with key partners, protect and enhance biodiversity through land management such as pest control, and to raise community awareness and appreciation of important values within our open spaces.

Visitor numbers will continue to grow as the district matures as a tourist destination. We need to ensure facilities such as public toilets and car parks are appropriately located and maintained in tourist hotspots.

Some of the areas of discussion around future infrastructure planning are:

- Should we simply maintain what we've got or build more parks and open spaces?
- Should we replace our recreational assets 'like with like' or upgrade over time?
- Should we prepare for higher usage now or respond to growth as it occurs?
- Should we prepare our parks and open spaces for climate change?

Meeting community expectations

There are developments proposed within the lifetime of this strategy that will increase levels of service in relation to recreation and open space assets. The Council has identified a number of flagship infrastructure projects that seek to meet the growing needs of our community and will ultimately contribute to our district's lifestyle, attractiveness and vitality.

Extension of the Coastal Walkway to Waitara

A walking and cycling connection between Bell Block and Waitara is proposed. The connection will benefit the residents of Waitara and New Plymouth by providing an off-road commuter route and extend the recreational and potential economic benefits of the existing Coastal Walkway for the wider community.

Options	Implications
1. Develop the Walkway to Waitara.	Cost to the community. A new off-road commuter and recreation route connects Waitara to the existing Coastal Walkway. Has potential active transport, economic and general well-being benefits.
2. Do not develop the Walkway to Waitara.	No cost to the community. Waitara remains unconnected to the existing Coastal Walkway resulting in a lost opportunity for an off-road commuter and recreation route towards New Plymouth. Potential active transport, economic and general wellbeing benefits are missed.

Preferred Response: Option 1

The route is currently being explored. Relevant issues include important cultural heritage sites, coastal erosion and airport security. Feasibility work and discussions with interested parties, including iwi and hapū, will be undertaken to determine the most appropriate route.

The connection is estimated to cost \$8.6m. Funding assistance will be sought from the New Zealand Transport Agency. The Council has allocated \$1.6m in 2019 for the project which will take a number of years to deliver.

TSB Stadium

The stadium is already at capacity with events often conflicting with community sports.

Sports such as basketball, netball and volleyball require more indoor space than is currently available. New Plymouth is also unable to host larger tournaments due to the lack of facilities. Demand for other indoor community sports such as futsal, one of the world's fastest-growing indoor sports, is also anticipated. Population growth will create further pressure on the facility.

The stadium already attracts a high number of events that provide commercial benefit to the local economy. However these events limit the community's ability to access the facility for sport and recreation. Due to these limitations we are not currently reaching our potential in terms of providing for community recreation or commercial opportunity.

Options	Implications
1. Redevelop the TSB Stadium into a multi-sport facility.	Significant cost to the community. Community access to indoor court space is increased. The need for an improved netball facility is achieved. The district gains the ability to host major tournaments and events and receives the associated economic benefits.

Infrastructure by Activity

Recreation and Open Space

Options	Implications
2. Do not redevelop the TSB Stadium into a multi-sport facility	No significant cost to the community. Community involvement in indoor sports remains restricted by the existing capacity shortage. The Waiwhakaiho netball facility will require investment in order to meet the needs of the community in the absence of a new facility at the TSB Stadium. The district misses out on the opportunity to host major tournaments and events and the associated economic benefits.

Preferred Response: Option 1

As part of our commitment to provide facilities that support an active community the Council will continue to work with the relevant stakeholders and wider community to ensure that the future redevelopment of the stadium will meet the requirements of the relevant sports codes, while maximising opportunities to host major events. It is foreseen that the redevelopment of the stadium will occur around 2029 at an approximate cost of \$36.3m.

Todd Energy Aquatic Centre

The Todd Energy Aquatic Centre is not currently meeting community demand for lane swimming, casual swimming or learn to swim facilities, which all compete for space during peak times. The facility also sits on the iconic Coastal Walkway and has the potential to leverage off our growing tourism market and become a premier destination for visitors to New Plymouth.

Options	Implications
1. Redevelop the Todd Energy Aquatic Centre.	Significant cost to the community. Community access to lane swimming, casual swimming and learn to swim facilities is increased. The new facility is well connected with the Coastal Walkway and creates another premier destination within the district.
2. Do not redevelop the Todd Energy Aquatic Centre.	No significant cost to the community. Community access to lane swimming, casual swimming and learn to swim facilities remains restricted by the existing capacity shortage. The opportunity to connect the facility with the Coastal Walkway and create another premier destination within the district is missed.

Preferred Response: Option 1

There is interest within the community to retain the existing 50m outdoor pool as a part of any future redevelopment. Investigations into the condition of this pool are underway and will inform future redevelopment options.

The redevelopment of the Todd Energy Aquatic Centre is envisaged to occur sometime after 2029 at approximately \$36.1m. The extent of the redevelopment will be determined after meaningful stakeholder and community consultation.

Infrastructure by Activity Recreation and Open Space

Taranaki Traverse (Waiwhakaiho River section)

The Council has the long-term aspiration of creating a link between Mount Taranaki and the Waiwhakaiho River Mouth as a part of the Taranaki Traverse project. This project aims to enable accessibility to key natural and cultural assets, linking to and leveraging existing attractions, open spaces and walking and cycling networks.

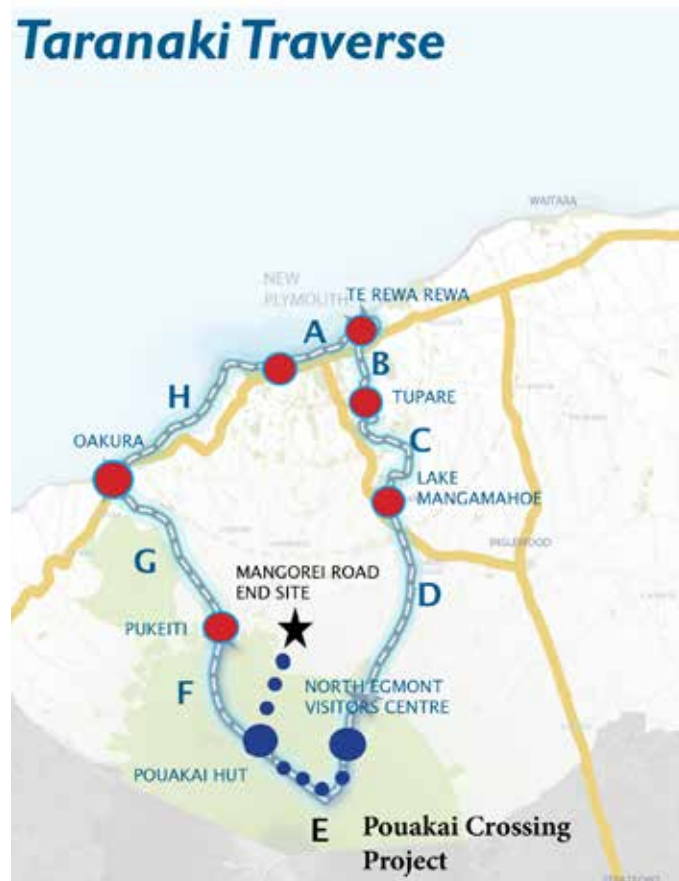


Figure 16: Taranaki Traverse

We are currently investigating the development of a walkway along the Waiwhakaiho River, connecting the city with the mountain. One million dollars has been budgeted for land acquisition and to conduct a business case analysis for this section of the walkway.

Another section of the Taranaki Traverse is the Pouakai Crossing (marked with blue dots in Figure 16). There is a need for an improved car park and toilet facility at the Mangorei Road end for users of the Pouakai Crossing. This project costs \$930,000 which will be shared between the Council and external funders.



Figure 17: Pouakai Crossing car park

Infrastructure by Activity

Recreation and Open Space

Expenditure

Significant Expenditure Highlights	Year	Cost	Primary Driver
TSB Stadium redevelopment	2029+	\$36.3m	Service Level
Todd Energy Aquatic Centre facility redevelopment	2029+	\$36.1m	Renewal/Service Level
Parks Management Plan implementation	2018-2048	\$300,000 p.a	Service Level
Rail safety on Coastal Walkway	2020-2021	\$2,100,000	Service Level
Park development - Area Q growth area	2019-2027	\$2,000,000	Growth
Park development - Smart Road growth area	2031-2033	\$1,300,000	Growth

10 Year Expenditure (includes inflation)

	Year 1 2018/19 \$m	Year 2 2019/20 \$m	Year 3 2020/21 \$m	Year 4 2021/22 \$m	Year 5 2022/23 \$m	Year 6 2023/24 \$m	Year 7 2024/25 \$m	Year 8 2025/26 \$m	Year 9 2026/27 \$m	Year 10 2027/28 \$m
Opex	28.88	33.11	31.65	31.84	33.58	35.19	35.24	37.79	39.42	40.13
Renewals	4.62	3.05	3.44	3.91	4.86	3.88	3.21	3.06	3.14	2.91
Service level	3.42	4.03	5.53	4.25	3.55	2.77	2.78	3.20	2.83	2.85
Growth	1.72	2.56	2.14	2.59	1.95	2.42	2.16	2.15	1.92	1.86

30 Year Expenditure (includes inflation)

	Years 1-5 2018-2022 \$m	Years 6-10 2023-2027 \$m	Years 11-15 2028-2032 \$m	Years 16-20 2033-2037 \$m	Years 21-25 2038-2042 \$m	Years 26-30 2043-2047 \$m
Opex	159.07	187.77	213.38	233.26	253.20	273.19
Renewals	19.88	16.21	8.33	8.86	9.82	10.72
Service level	20.78	14.43	81.85	2.82	3.11	3.39
Growth	10.96	10.50	2.27	0.89	0.98	1.07

Solid Waste and Refuse Collection

This service includes waste and recycling collection from more than 27,900 residential and school premises each year. It also includes transfer stations, the Colson Road Landfill, the Resource Recovery Facility and education programmes to encourage waste minimisation in the district.

Key Solid Waste Issues

- The existing landfill at Colson Road is expected to reach capacity in 2019.
- A new regional landfill is being developed in Eltham, South Taranaki.
- Our strategic vision includes reducing the amount of waste going to landfill in the district, with a goal for zero waste.

When the regional landfill at Colson Road, New Plymouth reaches capacity in 2019 it will be closed down. A new regional landfill is being developed in Eltham, South Taranaki, which will increase waste transportation cost for the New Plymouth District.

We are currently constructing a Resource Recovery Facility adjacent to the existing Colson Road Transfer Station. This facility includes a Material Recovery Facility which is now complete. The facility also includes a community operated Reuse and Recycle Centre and Refuse Transfer Station. This facility will increase the district’s capacity to reuse and recycle materials and reduce the amount of waste transported to the new regional landfill in Eltham.

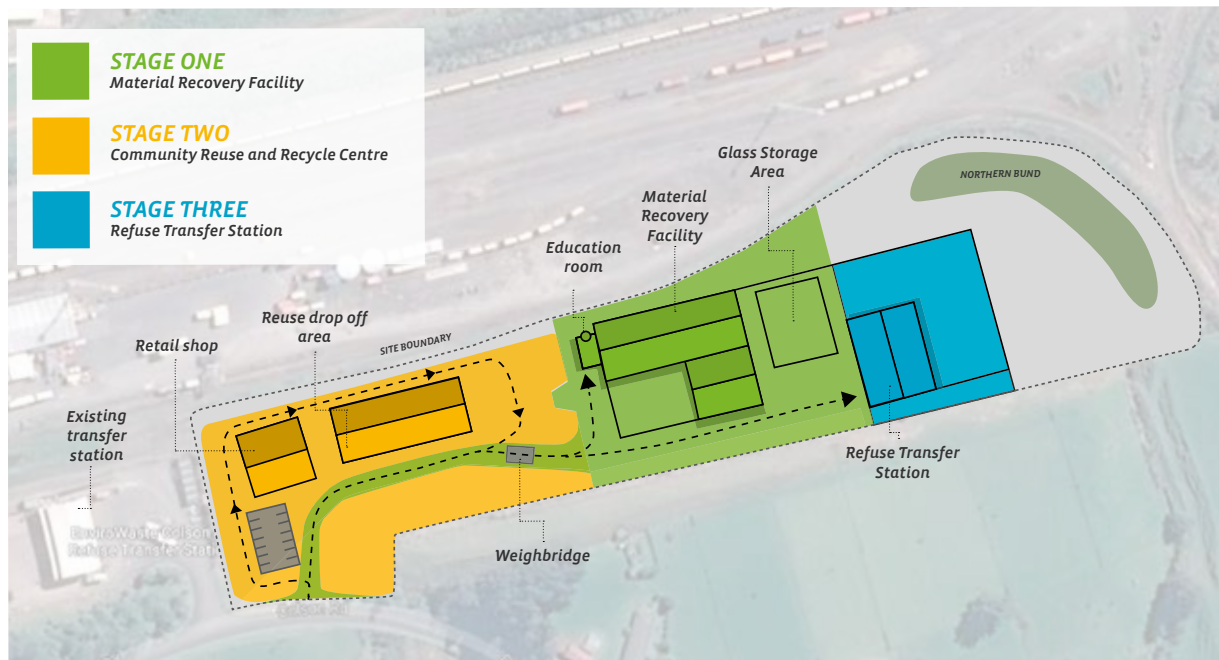


Figure 18: Proposed staged development of a Material Recovery Facility, Community Reuse and Recycle Centre and new Transfer Station at Colson Road

Infrastructure by Activity

Solid Waste and Refuse Collection

Our response

In accordance with the Waste Minimisation Act 2008, the Council consulted on its draft Waste Management and Minimisation Plan (WMMP) in mid-2017. The plan was adopted in November 2017 and is available on the Council's website.

The WMMP details a number of options for working towards the vision of zero waste. Feedback shows community support for the vision, goals and objectives in the Plan. The key goals for the next six years are to:

- Maximise opportunities to reduce levels of waste sent to the landfill.
- Reduce the harmful and costly effects of waste.
- Improve efficiency of resource use.

Meeting community expectations

Reducing waste volumes going to landfill means the Council will be better positioned to respond to tighter legislative requirements relating to landfills as they are introduced over time.

Reducing waste volumes over time also progresses us towards meeting the community's expectations of zero waste in the district. In addition to encouraging waste minimisation, we will need effective education on the long term benefits of targeting zero waste now, to demonstrate to ratepayers that investing in zero waste now is cost effective in the medium to long term.

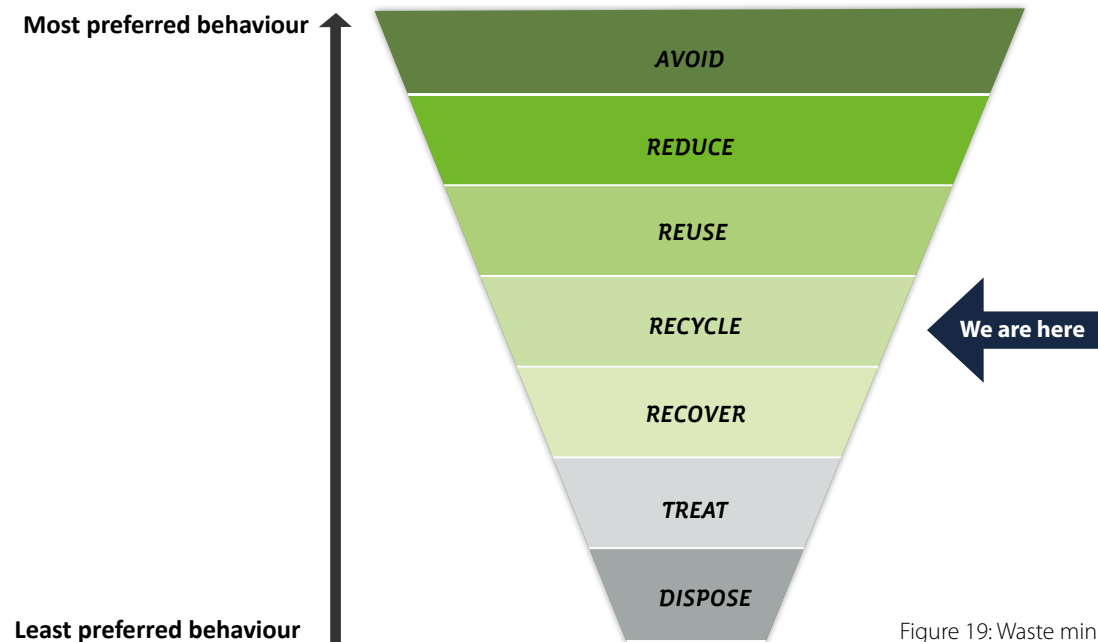


Figure 19: Waste minimisation hierarchy

Infrastructure by Activity

Solid Waste and Refuse Collection

Expenditure

Significant Expenditure Highlights	Year	Cost	Primary Driver
Central Landfill (Council contribution only)	2018-2019	\$10,000,000	Renewal
Commercial and Industrial Materials Recovery Facility	2020-2021	\$3,500,000	Service Level
Resource Recovery Facility	2018-2019	\$2,400,000	Renewal

10 Year Expenditure (includes inflation)

	Year 1 2018/19 \$m	Year 2 2019/20 \$m	Year 3 2020/21 \$m	Year 4 2021/22 \$m	Year 5 2022/23 \$m	Year 6 2023/24 \$m	Year 7 2024/25 \$m	Year 8 2025/26 \$m	Year 9 2026/27 \$m	Year 10 2027/28 \$m
Opex	12.70	15.33	14.65	14.86	15.13	15.51	16.20	16.85	17.20	17.63
Renewals	12.56	1.06	0.13	0.09	0.09	0.09	0.09	0.09	0.10	0.10
Service level	-	-	3.60	0.05	0.05	0.66	0.06	0.12	0.06	0.06
Growth	-	-	-	-	-	-	-	-	-	-

30 Year Expenditure (includes inflation)

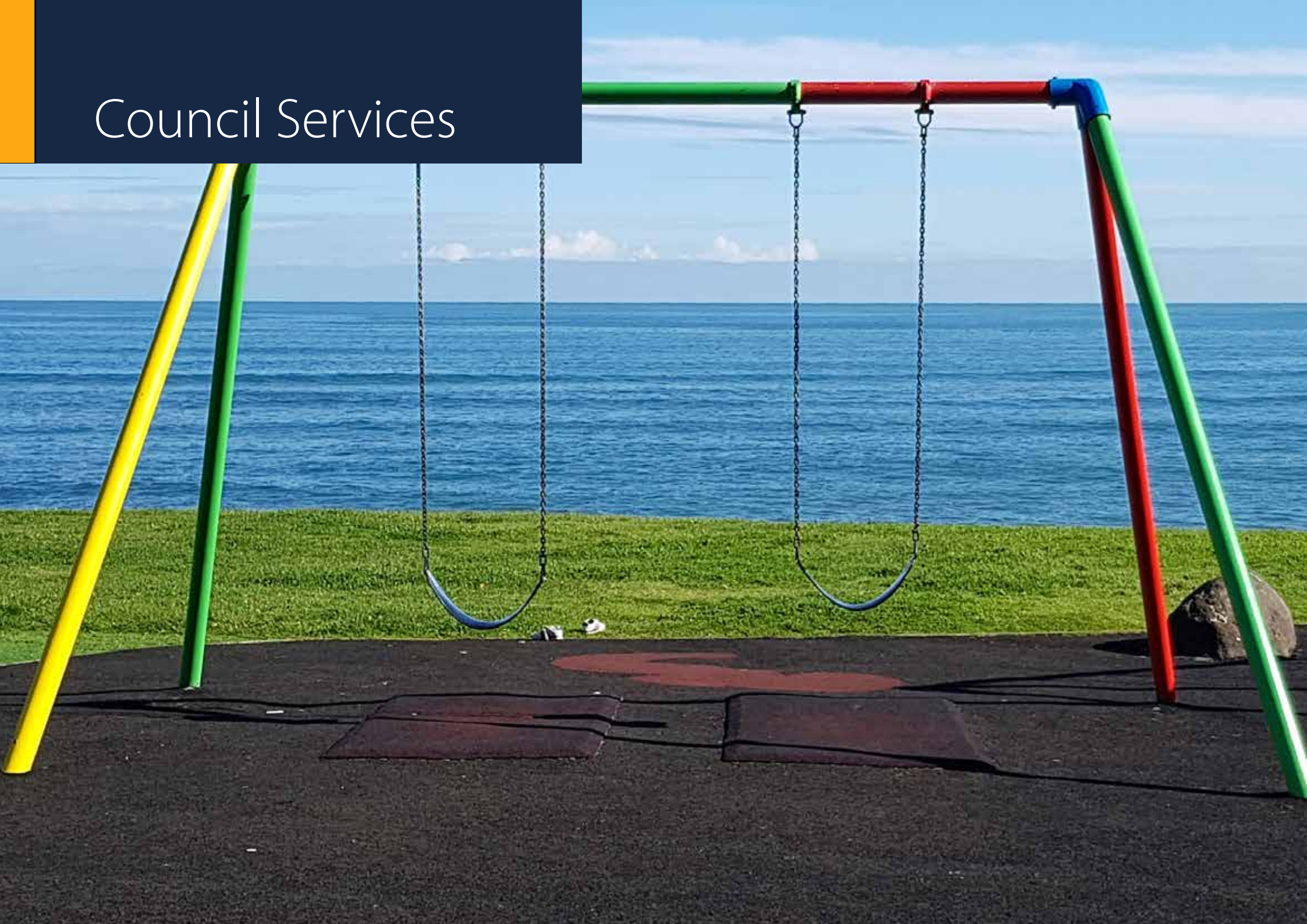
	Years 1-5 2018-2022 \$m	Years 6-10 2023-2027 \$m	Years 11-15 2028-2032 \$m	Years 16-20 2033-2037 \$m	Years 21-25 2038-2042 \$m	Years 26-30 2043-2047 \$m
Opex	72.66	83.40	100.46	109.67	118.88	128.09
Renewals	13.93	0.47	0.03	0.42	1.44	1.57
Service level	3.71	0.96	-	-	-	-
Growth	-	-	-	-	-	-

Assumptions

The assumptions in this Infrastructure Strategy align with the Council's LTP, reflecting the issues that could impact on Council activities. A full list of the Council's significant forecasting assumptions can be found in the Additional Information section of the LTP. These assumptions underpin the Council's preferred options for infrastructure management and the capital expenditure decisions required over the life of this strategy.

Assumption	Risk	Level of Uncertainty	Impact
<p>Population growth</p> <p>There will be high population growth in the New Plymouth District over the next 10 years. Projections estimate the district's population will grow from 83,400 in 2018 to 92,400 over the life of the 10-Year Plan and to 106,100 by 2048.</p>	Population growth occurs at a faster or slower rate than projected.	Medium	Slower or faster population growth may impact on service levels, infrastructure expansion, renewal programmes and costs, resulting in increased or decreased rates requirements.
<p>Climate Change</p> <p>Climate change is predicted to increasingly affect the district, particularly over the life of this 30-year Infrastructure Strategy, with high temperatures, increased rainfall, and sea-level rise.</p>	Climate change becomes a more prevalent issue for the district.	Medium	If climate change becomes more prevalent, the district will experience higher levels of rainfall, resulting in more flooding, landslides, and coastal inundation and erosion. Conversely, we could experience longer drier periods at certain times of year putting additional pressure on our water supply.
<p>Tourism</p> <p>In accordance with the Ministry of Business, Innovation and Employment national growth rate forecasts, tourist guest nights will increase by 4.9 per cent per annum.</p>	Tourism grows at a faster or slower rate than predicted	High	Slower growth could have a negative impact on investment opportunities, while faster growth could lead to increased utilisation of assets.
<p>Levels of Service</p> <p>Projects such as the TSB Stadium redevelopment, Walkway to Waitara and water/wastewater resilience projects will increase the Council's levels of service provided over the life of this strategy.</p>	The Council may need to adjust service levels in response to new issues identified by the community, changes to legislation or external factors.	Low	Changes to levels of service may result in new operational and/or capital expenditure costs, which could require increased rates funding.
<p>Life cycle</p> <p>It is assumed that asset information is reliable and reflects the condition and performance of the assets. It is assumed that no significant assets will fail before the end of their useful lives.</p>	Asset life and/or condition assessments prove to be invalid and assets require replacement earlier or later in their life cycle.	Low	Asset management is a priority for the Council. Unexpected failure of an asset would be managed by re-prioritising capital expenditure programmes. If the renewals programme is not able to be re-prioritised, additional borrowing or rates funding could be required.

Council Services



Guide to the content of 'Council Services'

This section provides an overview of the budget and service information for the Council's 16 groups of activities (services) and a list of the projects that will be undertaken as part of this Plan.

Each Council service contains the following information:

What we do: A summary of what the service delivers to the community.

Why we do it: The reason why the Council provides the service, including statutory requirements and linking the activity to our community outcomes.

How we pay for it: Describes the particular rating and funding mechanisms used to pay for the cost of providing the service.

Our plans: Describes the plans for the service over the life of the Long-Term Plan (LTP) 2018-2028.

Changes to levels of service: Identifies and explains major changes to the levels of service provided in the LTP 2018-2028 with the levels of service in the LTP 2015-2025.

Effects on the community: Identifies any significant/major negative effects that may occur due to the delivery of the service and how the Council will mitigate or minimise its impact.

What you can expect from us: Describes what the community can expect to receive in terms of quality and quantity of service provided. Each level of service has corresponding performance measures and targets which allows the community to monitor performance. This performance information consists of a mix of in-house and externally conducted surveys, national and industry standards, contractor performance indicators and gathered statistics. The performance framework is the basis of the Council's accountability to the community for the services it delivers and is reported on quarterly and as part of the Annual Report.

In addition to showing the performance target for future years (the first three years in detail and an outline for the following seven years), where available the actual achievement for 2016/17 has been provided as a comparator.

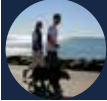


The Council contracts National Research Bureau (NRB) to conduct an independent telephone survey of New Plymouth District residents once a year to assess the community's satisfaction with the services provided by the Council. The results from the NRB survey are incorporated into the performance measures and targets, where appropriate.

Projects: Lists capital projects that will be undertaken over the life of this plan.

Funding Impact Statement: The table provides details on the expected costs and funding of the service. The first year of each financial plan shows the current 2017/18 year. The budget figures show the forecasted financial plan.

How the Council's Services Contribute to the Community Outcomes

The table below sets out how each of the Council's 16 services contribute to the community outcomes.

	 People He Tangata	 Place Tiakina	 Prosperity Āwhina
Parks and Open Spaces	*	√	*
Transportation	*		√
Stormwater Drainage	√	*	*
Flood Protection and Control Works	√	*	*
Waste Management and Minimisation	*	√	*
Water Supply	*	*	√
Wastewater Treatment	*	√	*
Emergency Management and Business Continuance	√		*
Community Partnerships	√		
Govett-Brewster Art Gallery/Len Lye Centre	√		*
Puke Ariki and Community Libraries	√		*
Venues and Events	√	*	√
Customer and Regulatory Solutions	√	*	√
Economic Development			√
Governance	√		
Management of Investments and Funding	*	*	*

√ indicates the activity strongly contributes to this outcome

* indicates the activity contributes to this outcome

Parks and Open Spaces

WHAT WE DO

Plan and manage a range of parks, public spaces and assets.

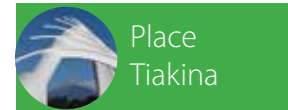
- Pukekura Park.
- Brooklands Zoo.
- Playgrounds.
- Sports grounds and skateparks.
- Coastal and other walkways.
- Campgrounds.
- Crematorium and cemeteries.
- Public arts and monuments.
- Public toilets.

New Plymouth District has a reputation for the quality of its public parks and open spaces. The places, spaces and assets we manage and maintain include:

- 1,600ha of park and reserve land.
- 82km of walkways, including 12.7km of Coastal Walkway.
- Forty-eight playgrounds.
- Nine skate park sites.
- Twenty-four sports parks for use by residents and visitors.
- The regional crematorium and administer 15 operational cemeteries.
- Brooklands Zoo.
- Public art and monuments.
- Forty-six public toilets.

WHY WE DO IT

The parks and open spaces service supports the Council's strategic vision of *Building a lifestyle capital – putting people first, caring for our place, and supporting a prosperous community.*



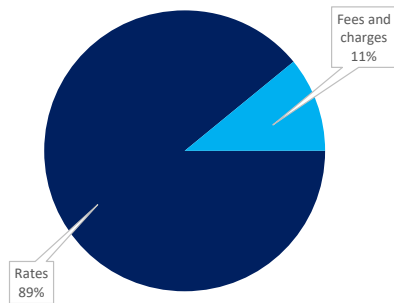
Our parks and reserves promote *caring for our place - manaaki whenua, manaaki tangata, haere whakamua*, through managing and protecting our natural landscape, including untouched native bush, coastal areas and regenerating bushland. Our parks and reserves help to manage our community to achieve sustainability and include features of outstanding biodiversity in the urban environments. Our parks and reserves network provide opportunities for people to be active, whether it be along our walkways, sports parks, playgrounds or other uses.

The parks and open spaces service promotes *putting people first - aroha ki te tangata* through supporting community activities, including through the provision of volunteering activities (such as restorative planting) and places for community events. The crematorium and cemeteries provide appropriate and sensitive memorial spaces for families.

Our activities also contribute to *supporting a prosperous community - awhi mai awhi atu, tātou katoa*. Campgrounds and leisure and sports parks, along with facilities for outdoor events such as WOMAD at the Bowl of Brooklands provide for tourism opportunities and bolster an economy supported by a diverse range of industry in the district. The activity also supports new developments to accommodate population growth through the provision of new parks and reserves.

HOW WE PAY FOR IT

This service is funded through general rates and fees and charges. Capital improvements are loan funded while the renewal and replacement of assets is funded from the Council's renewal reserves. The replacement value for parks and open spaces assets is \$303m.



OUR PLANS

Increases in the district's population and visitor numbers will increase demand for parks and open spaces, with greater numbers of people accessing facilities such as Pukekura Park, walkways, recreational spaces and more. New developments and subdivision also creates demand for new parks and open spaces. In *Building a Lifestyle Capital* some key facilities will require improvements to meet both demand and customer expectations. It may require the introduction of some new facilities. Increased numbers also means the Council will need to consider demand for associated infrastructure and services, such as toilets, in high use areas and tourist hotspots.

The Council will continue to promote biodiversity with \$2.3m over the life of the LTP 2018-2028. This will be invested in plant and animal pest control, and habitat enhancement (such as native plants for re-vegetation).

The use of recreational space is changing and diversifying. With people living longer and remaining more active, there are changes in both how facilities are

used and the types of facilities in demand. An ageing population also means there is increased expectation and requirement for accessibility in our parks and open spaces. Changes in technology will impact the way we deliver services, including an expectation of connectivity within parks, demand for real time information, and even virtual parks. Increased automation could increase demand for automated services. It may also mean people have more leisure time available in the future.

Climate change, variable weather patterns, increases in the number of severe weather events and rising sea levels could lead to increased coastal erosion, greater plant growth and potential increase in plant pests and diseases. Changes to legislation and compliance requirements may also impact on how our services are delivered, including costs. Managing these factors is part of long-term planning for the parks and open spaces service.

The Council works with property developers to ensure they provide adequate neighbourhood parks in new developments and subdivisions and that the public has continued access to significant waterways. We will continue to maintain existing parks and open spaces to a high standard, particularly as these facilities and amenities are used more frequently, by a greater number of people.

CHANGES TO LEVELS OF SERVICE

Service level capital expenditure projects of \$15.3m are proposed over the life of the LTP 2018-2028 to improve parks and open spaces, which will also lead to some additional operating costs.

EFFECTS ON THE COMMUNITY

The parks and open spaces service provides the community with quality recreation and leisure opportunities, access to nature and supports a diverse economy. Many of our parks and open spaces contribute to the ecological welfare of the environment. There are no significant negative effects from this service.

Parks and Open Spaces

WHAT YOU CAN EXPECT FROM US

Level of Service	Performance Measure	Latest Result 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	By 2027/28
We maintain quality district parks, reserves and open spaces.	The percentage of residents satisfied with the quality of the district's parks and reserves, including the Coastal Walkway and Pukekura Park (NRB survey*).	94%	95%	95%	95%	95%
	The percentage of residents satisfied with the quality of the district's urban landscapes and streets (NRB survey*).	93%	95%	95%	95%	95%
	The percentage of residents satisfied with the quality of the district's sports parks (NRB survey*).	97%	95%	95%	95%	95%
	The percentage of residents satisfied with the quality of the district's playgrounds (NRB survey*).	96%	95%	95%	95%	95%
	The percentage of Brooklands Zoo visitors satisfied with the zoo (in-house survey).	90%	90%	90%	90%	90%
We maintain access to the district's parks, reserves and open spaces.	The percentage of households in the district that are within 500 metres of a park, reserve or neighbourhood open space.	76%	71%	71%	71%	71%
We provide quality public toilets across the district.	The percentage of the community satisfied with the quality of the district's public toilets (NRB survey*).	83%	80%	80%	80%	80%

* All NRB survey targets are excluding 'don't know' responses.



PROJECTS

The table below sets out the projects that will be undertaken as part of the LTP 2018-2028.

	2018/19 Year 1 (\$m)	2019/20 Year 2 (\$m)	2020/21 Year 3 (\$m)	2021/22 Year 4 (\$m)	2022/23 Year 5 (\$m)	2023/24 Year 6 (\$m)	2024/25 Year 7 (\$m)	2025/26 Year 8 (\$m)	2026/27 Year 9 (\$m)	2027/28 Year 10 (\$m)
Trimble Park to Joe Gibbs Reserve link	0.05									
East End Skate Park	0.06									
Marfell playground new toilet	0.10									
Alternate Coastal Walkway partial realignment NP foreshore	0.10	0.10	0.12	1.30						
Pukekura Park Tea House: exterior renewal	0.15									
Hickford Park new toilet	0.19									
Bellringer Pavilion: changing rooms upgrade	0.20									
New Cremator	0.50									
Pukekura Park terrace refurbishment	0.57									
Kawaroa to Belt Road cliff erosion and seawall		0.11	0.83							
Tongaporutu toilet replacement		0.22								
Mangorei Road end car park		0.93								
Rail safety on Coastal Walkway			2.10							
Parks Fernery Nova House replacement				0.32						
Brooklands Zoo - renewal of free flight enclosure				0.43						
Playground equipment renewal - Kawaroa Park					0.33					
New play space development					0.60					
Brooklands Zoo renewal of outdoor monkey enclosures						0.45				
Colson Road Landfill - recreational development								0.39		

Parks and Open Spaces

FUNDING IMPACT STATEMENT

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual charges, rates penalties	13.20	13.76	14.63	15.60	16.42	17.21	17.96	18.26	19.20	19.38	20.01
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Fees and charges	1.73	1.98	2.00	2.03	2.06	2.09	2.12	2.16	2.19	2.23	2.27
Internal charges and overheads recovered	0.24	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	15.17	15.75	16.64	17.64	18.49	19.31	20.10	20.42	21.41	21.63	22.29
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	(9.75)	(10.47)	(13.54)	(11.14)	(11.43)	(11.82)	(12.15)	(12.65)	(13.07)	(13.32)	(13.70)
Finance costs	(0.30)	(0.47)	(0.71)	(0.90)	(1.03)	(1.24)	(1.27)	(1.29)	(1.33)	(1.33)	(1.33)
Internal charges and overheads applied	(2.97)	(2.54)	(2.71)	(2.76)	(2.75)	(2.81)	(3.23)	(2.93)	(3.31)	(3.11)	(3.49)
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	(13.02)	(13.48)	(16.96)	(14.80)	(15.20)	(15.87)	(16.66)	(16.87)	(17.71)	(17.76)	(18.51)
Surplus/(deficit) of operating funding (A - B)	2.15	2.27	(0.32)	2.84	3.29	3.44	3.44	3.55	3.69	3.86	3.78
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	0.72	-	-	-	-	-	-	-	-
Development and financial contributions	-	0.52	0.81	0.92	0.97	1.04	1.06	1.08	1.07	1.07	1.07
Increase (decrease) in debt	1.07	1.02	3.84	2.74	1.69	0.18	(0.23)	(0.49)	(0.21)	(0.87)	(0.87)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	1.07	1.54	5.37	3.65	2.67	1.22	0.83	0.59	0.87	0.20	0.20

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	(0.47)	(0.01)	(0.85)	(0.43)	(0.88)	(0.24)	(0.71)	(0.45)	(0.44)	(0.21)	(0.14)
- to improve the level of service	(0.59)	(1.71)	(2.32)	(3.82)	(2.54)	(1.84)	(1.06)	(1.07)	(1.49)	(1.12)	(1.14)
- to replace existing assets	(1.63)	(2.91)	(1.34)	(1.73)	(2.20)	(3.15)	(2.17)	(1.50)	(1.35)	(1.43)	(1.20)
(Increase)/decrease in reserves	(0.53)	0.83	(0.54)	(0.51)	(0.34)	0.57	(0.33)	(1.12)	(1.28)	(1.30)	(1.49)
(Increase)/decrease of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(3.23)	(3.80)	(5.05)	(6.49)	(5.96)	(4.66)	(4.27)	(4.14)	(4.56)	(4.06)	(3.98)
Surplus/(deficit) of capital funding (C - D)	(2.15)	(2.27)	0.32	(2.84)	(3.29)	(3.44)	(3.44)	(3.55)	(3.69)	(3.86)	(3.78)
Funding balance (A - B) + (C - D)	-	-	-	-	-	-	-	-	-	-	-

Other information to be provided

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

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Depreciation and amortisation expense											
Depreciation expense	2.38	2.80	3.06	3.14	3.14	3.37	3.32	3.35	3.60	3.62	3.65
<i>less deferred/unfunded</i>	(0.47)	(0.72)	(0.91)	(0.90)	(0.61)	(0.79)	(0.81)	(0.74)	(0.97)	(0.89)	(0.95)
Net funding transferred to renewals reserves	1.91	2.08	2.14	2.24	2.54	2.58	2.51	2.62	2.64	2.73	2.70

Transportation

WHAT WE DO

Enable free, efficient and safe movement of people, goods and services in the district.

- Roads and bridges.
- Kerbs and channels.
- Footpaths and streetlights.
- Cycleways.
- Bus shelters.
- Traffic signs and traffic lights.
- Traffic management.

The Council's transportation service manages a safe and efficient transport network that enables effective movement of people, goods and services around the district. We operate and maintain the district's existing transport network and plan for the future growth and development of the network.

Transportation activities are influenced by a complex mix of policy, legislation and national and regional strategies. We work within this framework to develop, maintain and renew assets in the network and conduct traffic management on all roads except state highways. Our service covers:

- 1,278km of roads.
- 272 bridges.
- 8,039 street lights.
- 11,178 traffic signs.
- Five tunnels.

WHY WE DO IT

The transportation service supports the Council's strategic vision of *Building a Lifestyle Capital – supporting a prosperous community and putting people first* by providing a transport network that enables cyclists, pedestrians and vehicles to travel throughout the district.

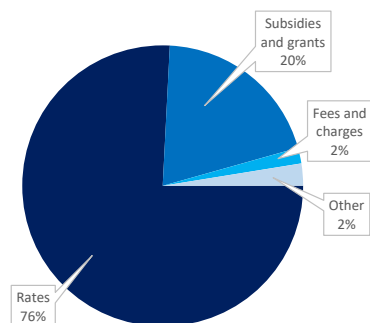


Our service is critical in *supporting a prosperous community - awhi mai, awhi atu, tātou katou*. The Taranaki economy, of which New Plymouth District is an integral part, relies heavily on road transport to move people, goods and services between homes, farms, factories and offices, as well as in and out of the region. Our services support industry and development by providing roads and footpaths that give public access to key industry facilities. The service also supports new developments through the provision of new roads and footpaths.

Maintaining road surfaces and providing traffic management and control systems is essential to community safety and well-being, contributing to *putting people first – aroha ki te tangata*. Streetlights provide night-time safety for all road users, including pedestrians. Well designed and maintained streets also promote community cohesion, providing people with a sense of place and safe public places.

HOW WE PAY FOR IT

This service is funded through general rates, a uniform annual charge and road user revenue collected and distributed by the New Zealand Transport Agency (NZTA). Capital improvements are loan-funded while the renewal and replacement of assets comes from financial assistance and renewal reserves. The replacement value of roads assets is \$1,367m.



OUR PLANS

A growing district means an increase in the flow of both goods and people. Increased traffic flows result in increased wear on the roads and other effects, including increased risk of crashes, increases in congestion, and increased user frustration in peak periods—especially on key corridors. As more lifestyle properties are created in rural areas, customers expect improved rural roads. At the same time, there is a greater number of heavy vehicles on these roads, accelerating damage and risk in some places. Roading infrastructure is also impacted by extreme weather events, which are predicted to occur more regularly as a result of climate change.

We know there are limitations to our existing network and that some key and strategic arterial routes will not support future growth. The two one-way systems that are state highways create separation between the central business district and urban New Plymouth. Having a single crossing point over the Waiwhakaiho River via State Highway 3 restricts movement from East to West. New Plymouth also

risks disconnection should the river crossing fail. With population growth expected to result in new subdivisions on urban fringes and more intensive living within New Plymouth’s urban boundary, we will be undertaking network modelling to understand the implications of growth on our network. We will use this research to provide for the movement of people and goods at peak times, ensuring travel time is not adversely affected as the population and economy grows. We will also consider a second crossing of the Waiwhakaiho River and investigate routing options as part of this network modelling.

We have identified some safety issues within New Plymouth, particularly in relation to intersections and schools. New Plymouth poses some topographical challenges for walkers and cyclists and there is a perception that the network is not safe for cycling, which deters both younger and older riders. The community expects a high quality urban footpath and cycleway infrastructure and we want to encourage the use of alternative modes of transport, such as cycling and public transport. We also want to make it safe. In response to population demographic changes and as the expectation for improved alternative transport modes grows, we will invest in cycling/pedestrian facilities and bus services, and improve provisions for mobility scooters, ensuring the network is safe for users of all modes of transport.

We will also continue to maintain and upgrade infrastructure where necessary to keep the network operating, providing additional capacity where needed.

CHANGES TO LEVELS OF SERVICE

Service level capital expenditure projects of \$17.8m are proposed over the life of the LTP 2018-2028.

Transportation

EFFECTS ON THE COMMUNITY

Transportation can have a range of effects on the community. Many of the positive effects are outlined in the section 'why we do it'. Potential negative effects are identified in the following table.

Effect	How the Council intends to mitigate the effect
Roadworks and construction can have negative environmental and social effects on the community, including congestion, delays and noise and air pollution. Delays can have economic impacts and road construction can have cultural effects if significant sites are disturbed during activity.	The Council seeks to minimise these effects through robust planning and contractual conditions.
Users of the network are exposed to the risks of crashes and injuries from mistakes, poor infrastructure, inappropriate speeds and risk taking.	We provide high quality infrastructure that users can easily understand and respond to with appropriate user behaviour. We provide education programmes and implement speed and intersection controls that reduce the risk of crashes. We promote respect, tolerance and understanding between user groups and their respective needs and vulnerabilities.



WHAT YOU CAN EXPECT FROM US

Level of Service	Performance Measure	Latest Result 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	By 2027/28
We provide a local roading network that is safe for all road users.	The change from the previous financial year ¹ in the number of fatalities and serious injury crashes on the district's local roading network, expressed as a number.	3 ²	Reducing	Reducing	Reducing	Reducing
We provide good quality district roads.	The average quality of ride on the district's sealed local road network, as measured by smooth travel exposure.	89%	88%	88%	88%	88%
	The percentage of residents satisfied with the overall quality of the district's roads (NRB survey*).	83%	85%	85%	85%	85%
We appropriately maintain the district's sealed roads.	The percentage of the sealed local road network that is resurfaced (target based on reseal cycle of 16.5 years).	3.8%	5.7%	5.7%	5.7%	5.7%
We provide a high quality and safe footpath network.	The percentage of footpaths that meet the levels of service and service standards in current condition surveys, as set out in the Transportation Asset Management Plan.	90.2% good or excellent condition 0.9% failed ³	More than 90% of footpath length surveyed in good or excellent condition Less than 1% of footpath length recorded as failed	More than 90% of footpath length surveyed in good or excellent condition Less than 1% of footpath length recorded as failed	More than 90% of footpath length surveyed in good or excellent condition Less than 1% of footpath length recorded as failed	More than 90% of footpath length surveyed in good or excellent condition Less than 1% of footpath length recorded as failed

¹ Measured 1 April to 31 March to reflect the delay in data processing.

² There were 2.5 DSI (deaths and serious injuries) per 100 million vehicle kilometres travelled.

³ To align with the new target, this result has been changed from the Annual Report 2016/17.

* All NRB survey targets are excluding 'don't know' responses.

Transportation

Level of Service	Performance Measure	Latest Result 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	By 2027/28
We respond to service requests in a timely manner.	The percentage of roading and footpath related customer service requests responded to within target timeframes. ⁴	96.8% based on 4,657 customer service requests	95%	95%	95%	95%
We provide a quality and safe cycle network.	The percentage of residents satisfied with the quality and safety of the district's cycle network (NRB Survey*).	88%	85%	85%	85%	85%

⁴ Service request timeframes:

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

* All NRB survey targets are excluding 'don't know' responses.

PROJECTS

The table below sets out the projects that will be undertaken as part of the LTP 2018-2028.

	Year 1 2018/19 (\$m)	Year 2 2019/20 (\$m)	Year 3 2020/21 (\$m)	Year 4 2021/22 (\$m)	Year 5 2022/23 (\$m)	Year 6 2023/24 (\$m)	Year 7 2024/25 (\$m)	Year 8 2025/26 (\$m)	Year 9 2026/27 (\$m)	Year 10 2027/28 (\$m)
Cook Street to Discovery Place new road	0.18	0.41								
LED streetlights	2.35									
Extension of the Coastal Walkway to Waitara		1.68	6.87							
Waitaha Stream underpass Area Q				0.43						
Wairau/South Road roundabout Ōākura				0.64						
Airport Drive realignment and intersections				3.22						
Smart Road/SH3 intersection upgrade								3.54		

FUNDING IMPACT STATEMENT

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual charges, rates penalties	8.24	9.15	9.63	10.10	10.94	11.21	11.11	11.30	12.02	12.46	12.43
Targeted rates	3.66	3.94	4.23	4.37	4.51	4.65	4.81	4.97	5.14	5.32	5.50
Subsidies and grants for operating purposes	3.81	3.84	3.87	4.27	3.96	4.03	4.11	4.18	4.26	4.35	4.44
Fees and charges	0.36	0.34	0.35	0.35	0.36	0.37	0.38	0.39	0.40	0.41	0.42
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53
Total operating funding (A)	16.60	17.81	18.60	19.62	20.30	20.80	20.93	21.37	22.35	23.06	23.31
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	(8.85)	(9.02)	(9.04)	(9.89)	(9.36)	(9.56)	(9.78)	(10.01)	(10.51)	(10.77)	(11.04)
Finance costs	(1.41)	(1.14)	(1.08)	(1.11)	(1.29)	(1.44)	(1.40)	(1.35)	(1.44)	(1.43)	(1.42)
Internal charges and overheads applied	(0.92)	(2.41)	(2.41)	(2.46)	(2.56)	(2.55)	(2.62)	(2.72)	(2.74)	(2.79)	(2.91)
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	(11.18)	(12.56)	(12.53)	(13.45)	(13.21)	(13.55)	(13.81)	(14.08)	(14.69)	(14.99)	(15.36)
Surplus/(deficit) of operating funding (A - B)	5.42	5.25	6.08	6.16	7.09	7.24	7.12	7.29	7.66	8.07	7.95
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	4.72	6.04	5.94	8.41	6.99	5.24	6.55	5.37	7.31	5.64	5.79
Development and financial contributions	0.28	0.29	0.46	0.51	0.55	0.58	0.60	0.61	0.60	0.60	0.60
Increase (decrease) in debt	4.72	1.75	1.02	0.88	2.55	0.82	1.08	0.79	2.40	0.56	0.66
Gross proceeds from sale of assets	(0.04)	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	9.68	8.08	7.41	9.80	10.09	6.64	8.22	6.76	10.31	6.80	7.05

Transportation

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	(0.85)	(0.46)	(0.42)	(0.47)	(2.23)	(0.49)	(0.62)	(0.50)	(3.34)	(0.53)	(0.54)
- to improve the level of service	(2.72)	(3.61)	(3.12)	(2.90)	(4.56)	(3.08)	(3.64)	(3.17)	(3.96)	(3.33)	(3.42)
- to replace existing assets	(7.95)	(9.59)	(10.17)	(15.50)	(9.53)	(9.19)	(11.11)	(9.45)	(9.68)	(9.91)	(10.17)
(Increase)/decrease in reserves	(3.57)	0.33	0.22	2.91	(0.85)	(1.13)	0.02	(0.93)	(0.99)	(1.09)	(0.87)
(Increase)/decrease of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(15.10)	(13.33)	(13.49)	(15.97)	(17.18)	(13.88)	(15.35)	(14.05)	(17.97)	(14.87)	(15.00)
Surplus/(deficit) of capital funding (C - D)	(5.42)	(5.25)	(6.08)	(6.16)	(7.09)	(7.24)	(7.12)	(7.29)	(7.66)	(8.07)	(7.95)
Funding balance (A - B) + (C - D)	-	-	-	-	-	-	-	-	-	-	-

Other information to be provided

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

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Depreciation and amortisation expense											
Depreciation expense	10.47	11.72	12.81	13.17	13.19	14.14	13.95	14.08	15.13	15.20	15.33
<i>less deferred/unfunded</i>	(5.07)	(6.83)	(7.76)	(7.98)	(7.15)	(7.98)	(7.98)	(7.97)	(8.82)	(8.66)	(8.88)
Net funding transferred to renewals reserves	5.39	4.89	5.05	5.19	6.04	6.16	5.96	6.11	6.31	6.53	6.45

Stormwater Management

WHAT WE DO

Manage and maintain the stormwater network.

- Pipes, inlets and outlets.
- Detention ponds and wetlands.

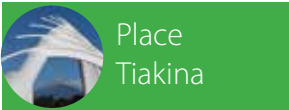
Stormwater is rainwater that flows from surfaces like roofs, gardens, footpaths and roads. The Council's stormwater drainage schemes collect, manage and dispose of stormwater run-off from around 6,600 hectares of urban area in the district, covering New Plymouth, Bell Block, Waitara, Inglewood, Urenui, Onaero, Lepperton, Egmont Village, Ōākura and Okato.

We operate and maintain 298 kilometres of stormwater pipes and a number of detention areas and engineered wetlands to help manage stormwater in the district.

WHY WE DO IT

An inadequate stormwater system can lead to ponding which can damage property, pose risks to people's safety and create inflow into wastewater pipes leading to wastewater overflows to the environment. Our service manages stormwater run-off in urban areas by ensuring there is a consistent standard of design and protection to reduce these risks.

The stormwater management service supports the Council's strategic vision of *Building a Lifestyle Capital – putting people first, caring for our place, and supporting a prosperous community.*



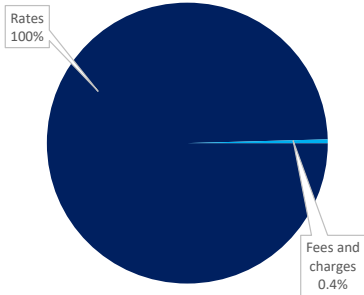
Managing stormwater contributes to *putting people first - aroha ki te tangata*, by protecting people and property from the effects of stormwater run-off and localised flooding after a significant rainfall event.

Effective stormwater management contributes to *caring for our place - manaaki whenua, manaaki tangata, haere whakamua* by also protecting our natural resource.

Our planning for future challenges, such as an increased rainfall and climate change supports a *prosperous community - awhi mai, awhi atu, tātou katoa* in the district by minimising potential risks to property and industry. Our stormwater activity also accommodates development for population growth through providing new stormwater systems.

HOW WE PAY FOR IT

This service is funded through general rates. Capital improvements are loan-funded while the renewal and replacement of assets comes from the Council's renewal reserves. The replacement value of stormwater assets is \$233.6m.



Stormwater Management

OUR PLANS

Population growth in the district means urban areas are expanding, resulting in greater amount of paved area such as roads. An increase in the area of paved land, as opposed to free draining grass or pasture, means an increase in storm water run-off, which has the potential to overwhelm existing stormwater pipes and increase the risk of flooding. Taranaki is predicted to experience an increase in rainfall and high intensity storms as the result of climate change, which will also put pressure on our existing storm water systems. We know that in severe storms, flooding can make life difficult for people and businesses. It is important that our stormwater systems can reliably manage increased run-off so that the scale of any flooding event is minimised.

The District Plan limits the total area of land that can be covered with a house within a property. It also requires all stormwater generated on a property to be disposed of on-site. The Council works with property developers to ensure new subdivisions take into account the overland flow paths of stormwater prior to development. We are also investing in modelling to better understand stormwater and predict the effects of flooding in the district, to identify options for improving stormwater systems in those areas that need it. We will use this information to develop a series of stormwater catchment management plans which will identify where development is risky and which techniques and options will be most effective in minimising future flooding.

CHANGES TO LEVELS OF SERVICE

Service level capital expenditure projects of \$10.1m are proposed over the life of the LTP 2018-2028, including Waitara stormwater upgrades and installation of fish passes.

EFFECTS ON THE COMMUNITY

Stormwater management can have a range of effects on the community. Many of the positive effects are outlined in the section “why we do it”. Potential negative effects are identified in the following table.

Effect	How the Council intends to mitigate the effect
Heavy rain has the potential to overwhelm stormwater systems and affect community well-being. Discharge of polluted stormwater into waterways could also harm the environment.	We reduce this risk by ensuring a consistent standard of design and level of protection.



WHAT YOU CAN EXPECT FROM US

Level of Service	Performance Measure	Latest Result 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	By 2027/28
We provide a stormwater management system that protects people and property.	The number of flooding events in the district per financial year.	0	0	0	0	0
	The number of habitable floors affected in each flooding event (per 1,000 properties connected to the Council's stormwater system)	0	1 or less	1 or less	1 or less	1 or less
We comply with all resource consents for discharges from our stormwater system.	The number of abatement notices, infringement notices, enforcement orders and convictions received.	0	0	0	0	0
We respond to service requests in a timely manner.	The median response time to a flooding event (from the time that the Council receives notification to the time service personnel reach the site).	0.34 hours	one hour	one hour	one hour	one hour
Customers are satisfied with the performance of our stormwater system.	The number of complaints received about the performance of the Council's stormwater system (per 1,000 properties connected).	3.13	7 or less	7 or less	7 or less	8 or less

PROJECTS

The table below sets out the projects that will be undertaken as part of the LTP 2018-2028.

	Year 1 2018/19 (\$m)	Year 2 2019/20 (\$m)	Year 3 2020/21 (\$m)	Year 4 2021/22 (\$m)	Year 5 2022/23 (\$m)	Year 6 2023/24 (\$m)	Year 7 2024/25 (\$m)	Year 8 2025/26 (\$m)	Year 9 2026/27 (\$m)	Year 10 2027/28 (\$m)
Waitara stormwater upgrades		0.51	1.05	2.15	2.20	2.25	0.92			
Stormwater Master Plan			1.47							
Mangaotuku stormwater upgrades			3.58							

Stormwater Management

FUNDING IMPACT STATEMENT

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual charges, rates penalties	1.76	1.31	1.34	1.82	2.12	2.42	2.66	2.76	2.89	2.92	2.84
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	1.77	1.32	1.35	1.83	2.13	2.43	2.67	2.77	2.90	2.93	2.85
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	(0.61)	(0.63)	(0.64)	(0.76)	(0.67)	(0.69)	(0.75)	(0.76)	(0.84)	(0.91)	(0.93)
Finance costs	(0.13)	(0.15)	(0.17)	(0.48)	(0.60)	(0.78)	(0.88)	(0.90)	(0.85)	(0.81)	(0.77)
Internal charges and overheads applied	(0.40)	(0.17)	(0.16)	(0.17)	(0.14)	(0.13)	(0.14)	(0.14)	(0.14)	(0.15)	(0.15)
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	(1.14)	(0.95)	(0.98)	(1.42)	(1.41)	(1.61)	(1.77)	(1.81)	(1.84)	(1.86)	(1.85)
Surplus/(deficit) of operating funding (A - B)	0.62	0.36	0.37	0.42	0.72	0.82	0.91	0.97	1.06	1.07	0.99
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	0.20	0.32	0.36	0.38	0.40	0.41	0.42	0.42	0.42	0.42
Increase (decrease) in debt	-	(0.21)	0.19	5.70	1.92	1.42	1.38	(0.01)	(1.01)	(0.99)	(0.93)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	(0.01)	0.51	6.06	2.30	1.83	1.79	0.41	(0.59)	(0.58)	(0.51)

Stormwater Management

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	(0.05)	(0.05)	(0.07)	(1.55)	(0.16)	(0.16)	(0.16)	(0.11)	(0.08)	(0.08)	(0.08)
- to improve the level of service	(0.05)	(0.05)	(0.55)	(4.66)	(2.44)	(2.17)	(2.22)	(0.95)	(0.06)	(0.07)	(0.07)
- to replace existing assets	(0.11)	(0.21)	(0.22)	(0.33)	(0.33)	(0.23)	(0.24)	(0.24)	(0.25)	(0.25)	(0.26)
(Increase)/decrease in reserves	(0.41)	(0.04)	(0.05)	0.06	(0.09)	(0.09)	(0.08)	(0.08)	(0.08)	(0.09)	(0.08)
(Increase)/decrease of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(0.62)	(0.36)	(0.89)	(6.48)	(3.02)	(2.65)	(2.70)	(1.38)	(0.47)	(0.49)	(0.49)
Surplus/(deficit) of capital funding (C - D)	(0.62)	(0.36)	(0.37)	(0.42)	(0.72)	(0.82)	(0.91)	(0.97)	(1.06)	(1.07)	(0.99)
Funding balance (A - B) + (C - D)	-	-	-	-	-	-	-	-	-	-	-

Other information to be provided

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

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Depreciation and amortisation expense											
Depreciation expense	1.66	2.47	2.70	2.78	2.78	2.98	2.94	2.96	3.18	3.20	3.22
<i>less deferred/unfunded</i>	(1.04)	(2.21)	(2.43)	(2.50)	(2.46)	(2.65)	(2.62)	(2.64)	(2.85)	(2.85)	(2.88)
Net funding transferred to renewals reserves	0.62	0.26	0.27	0.27	0.32	0.32	0.31	0.32	0.33	0.34	0.34

Flood Protection and Control Works

WHAT WE DO

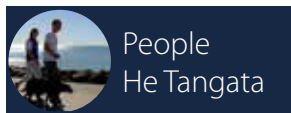
Reduce flood risk to urban areas in the district.

- Flood protection dams.
- Diversion tunnels.

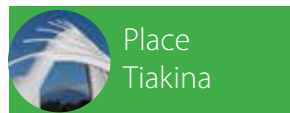
The Council's flood protection and control works service provides flood protection systems to urban areas in the New Plymouth District. We monitor and maintain three flood protection dams and diversion tunnels.

WHY WE DO IT

The flood protection and control works service supports the Council's strategic vision of *Building a Lifestyle Capital - putting people first, caring for our place, and supporting a prosperous community*.



People
He Tangata



Place
Tiakina



Prosperity
Āwhina

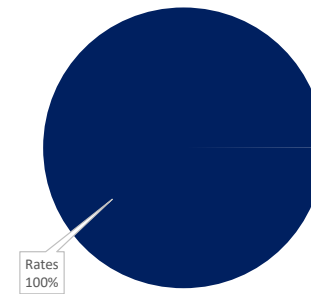
Reducing flood risk promotes *putting people first - Aroha ki te tangata* through protecting people and property from the effects of flooding from rivers and streams in severe storm events, enabling residents to continue with their daily lives after a significant rainfall event.

Reducing flood risk helps the Council in *supporting a prosperous community - awhi mai, awhi atu, tātou katoa* by protecting businesses and industry from flood risk, including through the Huatoki dam scheme reducing flood impacts on the central business district.

Our flood protection and control works also protect our natural environment and outdoor lifestyle opportunities, promoting *Caring for our place - manaaki whenua, manaaki tangata, haere whakamua*.

HOW WE PAY FOR IT

The service is funded through general rates. Capital improvements are loan-funded while the renewal and replacement of assets come from renewal reserves. The replacement value of flood protection assets is \$18.4m.



OUR PLANS

The Council will continue to maintain flood protection schemes and assets in the district.

The Ministry for the Environment climate change predictions suggest Taranaki will experience an increase in the number and severity of storms.

The District Plan deters property development in identified flood hazard areas in the district to minimise the impact of flooding on people and property.

CHANGES TO LEVELS OF SERVICE

There are no proposed changes to levels of service over the life of the LTP 2018-2028.

EFFECTS ON THE COMMUNITY

Flood protection and control works can have a range of effects on the community. Many of the positive effects are outlined in the section “why we do it”. Potential negative effects are identified in the following table.

Effect	How the Council Intends to Mitigate the Effect
In severe storms, flood water has the potential to overwhelm flood protection infrastructure and harm people and buildings.	To reduce this risk, we take the probability of severe storm events into account when designing the capacity of the protection systems. We also identify at-risk flood areas, taking steps to manage development in these areas.

WHAT YOU CAN EXPECT FROM US

Level of Service	Performance Measure	Latest Result 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	By 2027/28
We effectively maintain the Council’s flood protection and control works.	Major flood protection and control works are maintained, repaired and renewed in accordance with the Asset Management Plan and annual works programme.	Achieved	Achieved	Achieved	Achieved	Achieved

Flood Protection and Control Works

FUNDING IMPACT STATEMENT

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual charges, rates penalties	0.14	0.13	0.14	0.11	0.12	0.12	0.20	0.20	0.23	0.28	0.28
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	0.14	0.13	0.14	0.11	0.12	0.12	0.20	0.20	0.23	0.28	0.28
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	(0.06)	(0.07)	(0.08)	(0.04)	(0.04)	(0.04)	(0.12)	(0.13)	(0.15)	(0.20)	(0.21)
Finance costs	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Internal charges and overheads applied	(0.06)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	(0.14)	(0.10)	(0.10)	(0.07)	(0.07)	(0.07)	(0.15)	(0.16)	(0.18)	(0.23)	(0.24)
Surplus/(deficit) of operating funding (A - B)	-	0.04	0.04	0.04	0.05	0.04	0.04	0.05	0.05	0.05	0.05
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	-	-	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

Flood Protection and Control Works

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	(0.02)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
(Increase)/decrease in reserves	-	-	-	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
(Increase)/decrease of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	-	(0.03)	(0.03)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
Surplus/(deficit) of capital funding (C - D)	-	(0.04)	(0.04)	(0.04)	(0.05)	(0.04)	(0.04)	(0.05)	(0.05)	(0.05)	(0.05)
Funding balance (A - B) + (C - D)	-	-	-	-	-	-	-	-	-	-	-

Other information to be provided

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

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Depreciation and amortisation expense											
Depreciation expense	0.11	0.12	0.13	0.14	0.14	0.15	0.14	0.15	0.16	0.16	0.16
<i>less deferred/unfunded</i>	(0.11)	(0.09)	(0.10)	(0.11)	(0.10)	(0.11)	(0.11)	(0.11)	(0.12)	(0.12)	(0.12)
Net funding transferred to renewals reserves	-	0.03	0.03	0.03	0.03	0.04	0.03	0.04	0.04	0.04	0.04

Waste Management and Minimisation

WHAT WE DO

Kerbside collection and waste minimisation.

- Waste and recycling collection.
- Transfer stations.
- Landfill.
- Resource recovery.
- Education.

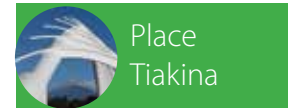
The waste management and minimisation service includes waste and recycling collection from households and schools within defined areas of the district. Our kerbside collection includes mixed recyclables, glass and solid waste. We also operate four transfer stations, the Colson Road Regional Landfill and the New Plymouth Resource Recovery Facility (which includes a transfer station run by a private operator).

The service collects around 7,000 tonnes of solid waste and 5,000 tonnes of recyclable materials from more than 27,900 residential premises each year. Our transfer stations and the Resource Recovery Facility handle non-hazardous solid waste, including around 1,000 tonnes of green waste, 800 tonnes of recyclable materials and 16,000 tonnes of solid waste per year. The Resource Recovery Facility also accepts 2,300 tonnes of recycling from the Stratford and South Taranaki districts.

The Colson Road Regional Landfill takes around 45,000 tonnes of waste from the New Plymouth, Stratford and South Taranaki districts annually, disposing of it to an environmentally acceptable standard. We also promote waste minimisation, delivering educational programmes to businesses and schools across the district.

WHY WE DO IT

The waste management and minimisation service supports the Council's strategic vision *Building a Lifestyle Capital – caring for our place, putting people first, and supporting a prosperous community* by ensuring household and business waste is collected and disposed of without significant impact on the environment and public health.



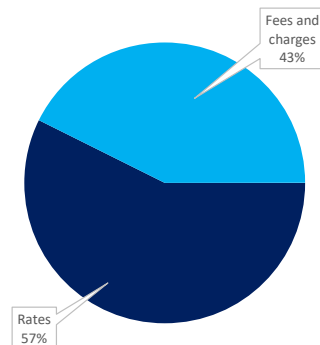
Encouraging waste minimisation and better waste management practices reduces the amount of waste going to landfill. This supports *caring for our place - manaaki whenua, manaaki tangata, haere whakamua*. It protects our environment for future generations through sustainable management of waste.

Our waste management and minimisation service, particularly our kerbside collection service, is also about *putting people first - aroha ki te tangata* as it provides an easy and convenient disposal service for our community.

The solid waste service also enables businesses to dispose of their waste, contributing to *supporting a prosperous community - awhi mai, awhi atu, tātou katoa*. There are also opportunities for businesses to provide complementary services to those of the Council, enabling new business opportunities. The kerbside collection area is reviewed to accommodate new development for population growth.

HOW WE PAY FOR IT

This service is funded through a uniform annual charge, the sale of designated bags for excess refuse, and by user charges at transfer stations and landfills. Capital improvements are funded from development reserves while the renewal and replacement of assets is funded from the Council's renewal reserves. The replacement value of solid waste assets is \$16.9m.



OUR PLANS

New Plymouth's growing population will potentially result in an increasing volume of waste going to landfill. The Colson Road regional landfill is expected to close in 2019. A new central landfill is being built, jointly funded by New Plymouth, Stratford and South Taranaki district councils.

New Plymouth's waste will be transported to the new landfill once Colson Road closes, which will result in increased transportation costs.

The community has expressed a strong desire for the New Plymouth District Council to lead a reduction in waste in the region to reduce the cost of waste disposal and potential harm to the environment, and to improve how we use resources. As a result, we have adopted the aspirational goal of Zero Waste for the district.

In mid 2017, we reviewed and consulted with the community on our Waste Management and Minimisation Plan. The plan includes a number of options for working toward a vision of Zero Waste. The key goals for the next six years are to:

- Maximise opportunities to reduce levels of waste sent to the landfill.
- Reduce the harmful and costly effects of waste.
- Make more efficient use of resources by reducing, reusing and recycling unwanted materials.

We want to meet waste reduction targets by implementing plans to reduce the volume of waste per capita going to landfill. With research indicating a link between volumes of waste going to landfill and economic performance, we also want to ensure an increase in the region's economic performance does not result in an unacceptable increase in the volume of waste ending up in landfill.

CHANGES TO LEVELS OF SERVICE

Service level capital expenditure projects of \$7.1m and operating costs of \$17.8m are proposed over the life of the LTP 2018-2028 to deliver on the Waste Management and Minimisation Plan which was adopted in November 2017.

Waste Management and Minimisation

EFFECTS ON THE COMMUNITY

Waste management and minimisation can have a range of effects on the community. Many of the positive effects are outlined in the section “why we do it”. Potential negative effects are identified in the following table.

Effect	How the Council intends to mitigate the effect
The disposal of solid waste in landfills has the potential to release substances including greenhouse gases and leachate, causing harm to the environment and community.	Firstly we aim to divert materials from landfill. When landfilled we minimise such negative effects through robust practices such as compacting and covering of landfill waste daily and ensuring the landfill is lined to capture and treat leachate from the landfill.

WHAT YOU CAN EXPECT FROM US

Level of Service	Performance Measure	Latest Result 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	By 2027/28
We encourage district wide waste minimisation.	The reduction in landfill waste generated per household (measured as a year on year percentage).	29% decrease from 2015/16 to 2016/17	1%	10%	1%	5%
We comply with all resource consents related to solid waste collection and management.	The number of abatement notices, infringement notices, enforcement orders, and convictions received.	0	0	0	0	0
Customers are satisfied with our solid waste collection and management service.	The number of complaints about the Council’s solid waste service received (per 1,000 customers).	1.3	3 or less	3 or less	3 or less	3 or less

PROJECTS

The table below sets out the projects that will be undertaken as part of the LTP 2018-2028.

	Year 1 2018/19 (\$m)	Year 2 2019/20 (\$m)	Year 3 2020/21 (\$m)	Year 4 2021/22 (\$m)	Year 5 2022/23 (\$m)	Year 6 2023/24 (\$m)	Year 7 2024/25 (\$m)	Year 8 2025/26 (\$m)	Year 9 2026/27 (\$m)	Year 10 2027/28 (\$m)
Resource Recovery Facility	2.39									
Central Landfill	10.09									
Colson Road Landfill closure works		0.98								
Establish commercial and industrial material recovery facility			3.54							
Transfer Station location						0.56				



Waste Management and Minimisation

FUNDING IMPACT STATEMENT

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual charges, rates penalties	-	2.43	3.54	3.13	3.22	3.11	3.14	3.59	3.77	3.74	3.74
Targeted rates	3.13	3.77	5.06	5.25	5.37	5.47	5.61	5.79	5.88	6.02	6.19
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	6.54	6.20	6.13	6.27	6.16	6.31	6.48	6.65	6.83	7.02	7.22
Internal charges and overheads recovered	0.93	0.75	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.59
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	10.60	13.15	15.33	15.24	15.35	15.49	15.82	16.62	17.07	17.38	17.74
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	(7.10)	(9.92)	(11.70)	(10.75)	(10.80)	(10.98)	(11.27)	(11.85)	(12.41)	(12.70)	(13.01)
Finance costs	(0.04)	(0.06)	(0.07)	(0.26)	(0.25)	(0.29)	(0.32)	(0.31)	(0.30)	(0.29)	(0.29)
Internal charges and overheads applied	(0.65)	(2.51)	(2.52)	(2.57)	(2.74)	(2.73)	(2.80)	(2.91)	(2.92)	(2.98)	(3.10)
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	(7.79)	(12.50)	(14.30)	(13.58)	(13.79)	(13.99)	(14.38)	(15.07)	(15.63)	(15.98)	(16.40)
Surplus/(deficit) of operating funding (A - B)	2.81	0.66	1.03	1.66	1.55	1.50	1.44	1.55	1.44	1.40	1.35
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	(0.03)	(0.04)	3.54	(0.16)	(0.16)	0.45	(0.17)	(0.13)	(0.20)	(0.18)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	(0.03)	(0.04)	3.54	(0.16)	(0.16)	0.45	(0.17)	(0.13)	(0.20)	(0.18)

Waste Management and Minimisation

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	(1.21)	-	-	(3.60)	(0.05)	(0.05)	(0.66)	(0.06)	(0.12)	(0.06)	(0.06)
- to replace existing assets	(4.50)	(12.56)	(1.06)	(0.13)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.10)	(0.10)
(Increase)/decrease in reserves	2.90	11.94	0.08	(1.48)	(1.25)	(1.20)	(1.13)	(1.23)	(1.09)	(1.05)	(1.01)
(Increase)/decrease of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(2.81)	(0.62)	(0.98)	(5.20)	(1.39)	(1.34)	(1.88)	(1.38)	(1.30)	(1.20)	(1.17)
Surplus/(deficit) of capital funding (C - D)	(2.81)	(0.66)	(1.03)	(1.66)	(1.55)	(1.50)	(1.44)	(1.55)	(1.44)	(1.40)	(1.35)
Funding balance (A - B) + (C - D)	-	-	-	-	-	-	-	-	-	-	-

Other information to be provided

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

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Depreciation and amortisation expense											
Depreciation expense	0.28	0.95	1.03	1.06	1.06	1.14	1.13	1.14	1.22	1.22	1.23
<i>less deferred/unfunded</i>	-	(0.52)	(0.64)	(0.39)	(0.47)	(0.57)	(0.53)	(0.47)	(0.65)	(0.65)	(0.66)
Net funding transferred to renewals reserves	0.28	0.43	0.40	0.67	0.59	0.57	0.59	0.67	0.57	0.57	0.58

Water Supply

WHAT WE DO

Provide a safe, reliable supply of fresh water.

- Treatment plants.
- Storage facilities.
- Pump stations.
- Pipe network.
- Firefighting supply.

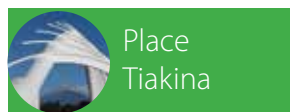
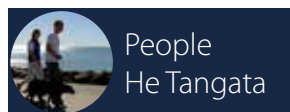
The Council's water supply service treats and distributes water that we source from groundwater bores and rivers in the district. We develop, operate and maintain water treatment plants to meet water quality standards. We also manage pump stations, pipe networks and storage facilities such as reservoirs to ensure our community has a reliable and sustainable supply of fresh water.

There are four separate water supplies in the district: New Plymouth (includes Omata, Bell Block, Waitara and Urenui), Inglewood, Ōākura and Okato. Combined, these facilities supply approximately 28 million litres of water per day to just under 28,000 households and businesses in defined urban and rural areas.

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

WHY WE DO IT

The water supply service supports the Council's strategic vision of *Building a Lifestyle Capital – supporting a prosperous community, putting people first and caring for our place.*



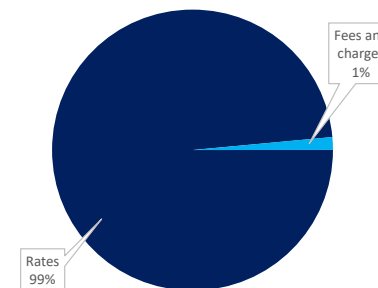
A reliable water supply contributes to *supporting a prosperous community - awhi mai, awhi atu, tātou katoa* as it is critical to many business operations and supports a diverse range of industries in the district. Our continued investment in resilient water supply infrastructure supports industry and development for all of our communities.

Water supply contributes to *putting people first – aroha ki te tangata* by providing connected properties with a safe, reliable and affordable water supply, and ensuring an adequate supply for urban firefighting.

Managing our water resources contributes to *caring for our place - manaaki whenua, manaaki tangata, haere whakamua* through ensuring compliance with resource consents for water takes and managing our water resources more sustainably for future generations.

HOW WE PAY FOR IT

This service is funded through a uniform annual charge, by water meter charges and by restricted flow tariffs. Capital improvements are funded by loans, while the renewal and replacement of assets is funded from renewal reserves. The replacement value of assets is \$294m.



OUR PLANS

New Plymouth residents consume 30 per cent more water per person, per day than the national average. Coupled with a growing population and expanding urban area, demand for water from the Waiwhakaiho River is expected to exceed the amount of water available for supply within the next 15 years. Ministry for the Environment assumptions suggest that by 2090, the amount of time Taranaki spends in drought could more than double. Growing numbers of visitors to the district could also put pressure on demand with most tourists visiting during the summer months when we are more affected by prolonged periods of dry weather.

We plan to take a lead in water sustainability. We know we need to invest in water infrastructure to allow new areas of our district to be developed. We also know some of our older asbestos cement mains are reaching the end of their useful life and we need to upgrade some of our existing infrastructure to make sure that it can keep up with demand and Firefighting Code of Practice requirements. We know we want to supply consistently high quality water right across our district, improving issues such as Inglewood's water discolouration. We know that at current consumption rates, we will need to find an additional supply of water at significant capital cost to the community, or find ways to reduce water consumption in the district.

We are developing a Water Master Plan that makes provision for new infrastructure to service future growth and includes projects to improve flow rates to meet firefighting standards. The plan will provide for changes to consent conditions or limits set by the Taranaki Regional Council. We will also invest in water network information models to help us better understand the implications of growth and the benefits of particular system improvements and investment options. Options we are exploring include altering water pressure in some areas, applying water restrictions during dry periods, investing in the underground pipe network, increasing storage in reservoirs and Lake Mangamahoe, as well as finding alternative water sources.

Greater awareness of water consumption is key to supporting households in making changes to their water use habits. We will continue to educate our community on ways to save water. We also plan to introduce voluntary residential water metering to create greater awareness of water usage and give ratepayers the option of paying for only the water they use. The amount of Council investment required in the water supply service and the timing of that investment will depend on the rate of population growth in the district, and on how successful we are in reducing residential water consumption across our communities.

Following ex-cyclone Gita and a review of resilience an additional \$13.5m of resilience improvement capital expenditure is included in this LTP.

CHANGES TO LEVELS OF SERVICE

Service level capital expenditure projects of \$47.5m are proposed over the life of the LTP 2018-2028 to deliver on the Water Master Plan.

Water meters are proposed for years five to seven to provide customers with the option of voluntary meter charges. This will be the subject of further consultation in the LTP 2021-2031.

A Water Education Officer will deliver a targeted education programme to drive behaviour change to deliver water conservation measures.

Water Supply

EFFECTS ON THE COMMUNITY

Water supply can have a range of effects on the community. Many of the positive effects are outlined in the section 'why we do it'. Potential negative effects are identified in the following table.

Effect	How the Council intends to mitigate the effect
Extracting water from streams and underground aquifers can reduce the amount of water available for future use.	We minimise the amount of water we abstract by operating demand management measures such as water restrictions during dry periods, by reducing pressure to minimise leakage and consumption, by promoting efficient water use, and by regular inspection and maintenance of pipework.

WHAT YOU CAN EXPECT FROM US

Level of Service	Performance Measure	Latest Result 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	By 2027/28
We provide water that is safe to drink.	Our level of compliance with Part 4 of the Drinking-water Standards (bacteria compliance criteria).	Full compliance	Full compliance	Full compliance	Full compliance	Full compliance
	Our level of compliance with Part 5 of the Drinking-water Standards (protozoal compliance criteria).	Full compliance	Full compliance	Full compliance	Full compliance	Full compliance
We maintain the reticulated water network in good condition.	The percentage of real water loss from the Council's networked reticulation system. ²	28.7%	25% or less	25% or less	25% or less	25% or less

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

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

Level of Service	Performance Measure	Latest Result 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	By 2027/28
We respond to faults and unplanned interruptions to the water supply network in a timely manner.	The median response time to urgent callouts (from the time that the Council receives notification to the time that service personnel reach the site).	0.36	1 hour or less	1 hour or less	1 hour or less	1 hour or less
	The median resolution time for urgent callouts (from the time the Council receives notification, to the time that service personnel confirm resolution of the fault or interruption).	1.87	4 hours or less for mains < 250 dia	4 hours or less for mains < 250 dia	4 hours or less for mains < 250 dia	4 hours or less for mains < 250 dia
		No call outs	8 hours or less for mains ≥ 250 dia	8 hours or less for mains ≥ 250 dia	8 hours or less for mains ≥ 250 dia	8 hours or less for mains ≥ 250 dia
	The median response time to non-urgent callouts (from the time the Council receives notification to the time that service personnel reach the site).	18.79	24 hours or less	24 hours or less	24 hours or less	24 hours or less
	The median resolution time for non-urgent callouts (from the time the Council receives notification to the time that service personnel confirm resolution of the fault or interruption).	26.3	48 hours or less	48 hours or less	48 hours or less	48 hours or less
Customers are satisfied with our water supply service.	The total number of complaints (per 1,000 connections) received about any of the following: <ul style="list-style-type: none"> drinking water clarity, taste, or odour; drinking water pressure or flow; continuity of supply; and the Council's response to any of these issues. 	7.8	10 or less	10 or less	10 or less	10 or less
We manage demand to minimise the impact of water supply activities on the environment.	The average consumption of drinking water per day per resident within New Plymouth District.	335 litres per day	315 litres per day	315 litres per day	315 litres per day	300 litres per day
	The number of abatement notices, infringement notices enforcement orders, and convictions received.	0	0	0	0	0

Water Supply

PROJECTS

The table below sets out the projects that will be undertaken as part of the LTP 2018-2028.

	Year 1 2018/19 (\$m)	Year 2 2019/20 (\$m)	Year 3 2020/21 (\$m)	Year 4 2021/22 (\$m)	Year 5 2022/23 (\$m)	Year 6 2023/24 (\$m)	Year 7 2024/25 (\$m)	Year 8 2025/26 (\$m)	Year 9 2026/27 (\$m)	Year 10 2027/28 (\$m)
Pump station upgrades	0.18	0.19								
Pipe bridge upgrades	0.20	0.21	0.21	0.43	0.44	0.45				
Flow metering	0.25	0.26	0.26	0.54	0.55					
Resource consent renewals water	0.31									
WTP sludge disposal	0.38									
Supply zone isolations	0.40	0.26								
Backflow prevention and laterals	0.50	0.51	0.53	0.54						
NP WTP Intake Fish Screen	0.76									
Mountain Road and Henwood Road reservoirs	3.94	3.50								
Air relief valves		0.21	0.21	0.21						
Water pump station - Upper Carrington growth area		0.31								
Reservoirs 1 and 2 modifications and pipe configuration		0.31	0.74	1.18						
Reservoir inlets and outlets		0.62	0.47							
Ōākura Water Treatment Plant upgrade		1.54								
Ōākura reservoir seismic strengthening			0.19							
NP WTP and Junction Road residence and Crematorium			0.21							
NP WTP welfare modifications			0.21							
Pumped potable water supply extension to Dudley Road			0.24							
Duplicate WTP outlet and central feeder			4.18							
New water source				3.22					13.29	13.63
Eastern feeder stage 1				3.47						
Universal water metering					4.86	5.08	5.26			
Eastern feeder stage 2						1.74	1.78			

FUNDING IMPACT STATEMENT

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	10.82	11.59	12.34	13.26	14.30	15.23	15.94	16.50	16.88	17.63	18.88
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	0.32	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	11.14	11.81	12.57	13.49	14.53	15.46	16.17	16.73	17.10	17.85	19.11
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	(3.31)	(3.91)	(4.15)	(4.30)	(4.43)	(4.53)	(4.72)	(4.77)	(4.89)	(5.01)	(5.13)
Finance costs	(1.75)	(1.67)	(1.92)	(2.16)	(2.50)	(3.04)	(3.29)	(3.52)	(3.32)	(3.92)	(4.52)
Internal charges and overheads applied	(2.47)	(2.74)	(2.80)	(2.84)	(2.94)	(2.96)	(3.02)	(3.10)	(3.14)	(3.21)	(3.30)
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	(7.54)	(8.33)	(8.88)	(9.30)	(9.86)	(10.53)	(11.02)	(11.39)	(11.34)	(12.13)	(12.95)
Surplus/(deficit) of operating funding (A - B)	3.60	3.48	3.69	4.18	4.66	4.93	5.15	5.34	5.76	5.72	6.16
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	0.28	0.29	0.46	0.52	0.55	0.59	0.60	0.61	0.61	0.61	0.61
Increase (decrease) in debt	4.06	6.17	6.65	6.10	8.14	3.46	4.35	4.22	(3.21)	10.19	10.23
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	4.34	6.46	7.11	6.62	8.69	4.05	4.95	4.84	(2.60)	10.80	10.84

Water Supply

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	(3.90)	(4.00)	(3.86)	(4.25)	(3.54)	(1.28)	(3.08)	(3.17)	(0.07)	(0.07)	(0.08)
- to improve the level of service	(0.44)	(3.68)	(4.65)	(4.18)	(7.23)	(5.07)	(4.34)	(4.26)	(0.33)	(13.65)	(14.08)
- to replace existing assets	(1.93)	(3.26)	(3.45)	(4.37)	(5.01)	(5.45)	(4.95)	(5.03)	(5.32)	(5.86)	(7.46)
(Increase)/decrease in reserves	(1.67)	0.99	1.16	2.00	2.42	2.83	2.28	2.28	2.57	3.07	4.62
(Increase)/decrease of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(7.93)	(9.94)	(10.80)	(10.80)	(13.35)	(8.98)	(10.09)	(10.17)	(3.16)	(16.52)	(17.00)
Surplus/(deficit) of capital funding (C - D)	(3.60)	(3.48)	(3.69)	(4.18)	(4.66)	(4.93)	(5.15)	(5.34)	(5.76)	(5.72)	(6.16)
Funding balance (A - B) + (C - D)	-	-	-	-	-	-	-	-	-	-	-

Other information to be provided

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

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Depreciation and amortisation expense											
Depreciation expense	4.06	4.41	4.87	5.06	5.13	5.56	5.50	5.56	5.95	5.97	6.02
<i>less</i> deferred/unfunded	(1.70)	(1.83)	(2.26)	(2.37)	(2.43)	(2.82)	(2.72)	(2.70)	(3.08)	(3.06)	(3.06)
Net funding transferred to renewals reserves	2.36	2.58	2.61	2.69	2.70	2.74	2.79	2.86	2.87	2.91	2.96

Wastewater Treatment

WHAT WE DO

We collect and treat wastewater and return clean water to the environment.

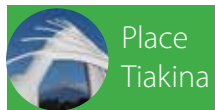
- Treatment plants.
- Pump stations.
- Sewer network.

The wastewater treatment service provides a network of infrastructure to manage domestic and industrial wastewater in the district. We collect and treat sewage from urban areas of New Plymouth, Bell Block, Waitara, Inglewood and Ōākura and return clean water to the environment

Our activities include operating and maintaining a centralised treatment plant, 39 pump stations and 645 kilometres of sewer network. We also monitor the flow of trade waste into the network. On average, we handle 25 million litres of wastewater each day, servicing more than 25,850 properties.

WHY WE DO IT

The wastewater treatment service supports the Council's strategic vision of *Building a Lifestyle Capital – caring for our place, putting people first and supporting a prosperous community.*



Place
Tiakina



People
He Tangata



Prosperity
Āwhina

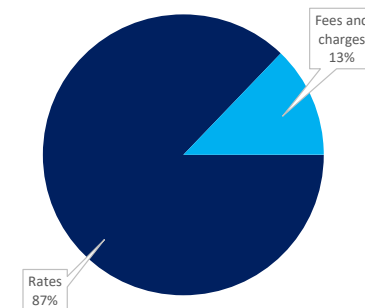
Treating wastewater contributes to *caring for our place - manaaki whenua, manaaki tangata, haere whakamua.* Treating potentially hazardous wastewater makes it safe for both people and the natural environment. It reduces significant environmental health issues from sewage.

The collection and treatment of wastewater in a safe and efficient manner also contributes to *putting people first - aroha ki te tangata.* It protects the health of our people, supporting a liveable environment for our community.

Wastewater treatment is also critical to *supporting a prosperous community - awhi mai, awhi atu, tātou katoa* through the provision of core infrastructure for industry and to accommodate growth in population and development.

HOW WE PAY FOR IT

This service is funded through a uniform annual charge paid by ratepayers connected to the wastewater system. We also charge industrial and commercial users for trade waste discharges. Capital improvements are funded by loans, while the renewal and replacement of wastewater assets is funded from renewal reserves. The replacement value of the wastewater assets is \$399m.



Wastewater Treatment

OUR PLANS

Predicted growth in the district’s population will increase the demand for wastewater services, both within existing urban areas as housing becomes more intensified, and in newly subdivided areas. Growing tourist numbers will also create additional demand during summer months.

In response to population growth, the District Plan is focused on encouraging development within, or in close proximity to, the areas of New Plymouth that already have a reticulated wastewater system. Utilising the infrastructure we already have will reduce the need to invest in expanding the network. We will continue to undertake network renewals and improvements to deal with any network deficiencies. This includes measures to prevent system overflows that can cause contamination of rivers and coastal waters.

We are investing in a wastewater network model to better understand the wastewater system, the implications of growth and the benefits that particular improvements will provide. This LTP provides for network improvements, including renewal, replacement and upgrading of sewer pipes. It also includes a project to replace the biosolids processing equipment which has reached the end of its useful life.

Following ex-cyclone Gita and a review of resilience an additional \$3.3m of resilience improvement capital expenditure is included in this LTP.

CHANGES TO LEVELS OF SERVICE

Service level capital expenditure projects of \$10.1m are proposed over the life of the LTP 2018-2028.

We will provide storage and/or other solutions to avoid the overflow of wastewater to the environment.

EFFECTS ON THE COMMUNITY

Wastewater treatment can have a range of effects on the community. Many of the positive effects are outlined in the section “why we do it”. Potential negative effects are identified in the following table.

Effect	How the Council intends to mitigate the effect
Managing wastewater comes with the risk of system overflows into rivers and streams, which can affect the environmental and social well-being of the community.	We minimise the likelihood of such overflows through regular inspections of equipment, maintenance programmes, renewal and lining of old and or leaky pipes. We also use sound design, construction and operations practices.

WHAT YOU CAN EXPECT FROM US

Level of Service	Performance Measure	Latest Result 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	By 2027/28
We provide an effective wastewater treatment and disposal system.	The number of dry weather sewerage overflows per 1,000 connections to the wastewater system.	0.60	1 or less	1 or less	1 or less	1 or less
We comply with all resource consents for wastewater discharge from our system.	The number of abatement notices, infringement notices, enforcement orders, and convictions received.	0	0	0	0	0
We respond to customer and maintenance requests in a timely manner.	The median response time to sewerage overflow callouts (from the time the Council receives notification to the time that service personnel reach the site).	0.49 hours	1 hour or less	1 hour or less	1 hour or less	1 hour or less
	The median resolution time for sewerage overflow callouts (from the time the Council receives notification to the time that service personnel confirm resolution of the fault or interruption).	2 hours	4 hours or less for sewers < 250 dia	4 hours or less for sewers < 250 dia	4 hours or less for sewers < 250 dia	4 hours or less for sewers < 250 dia
		No call outs	8 hours or less for sewers ≥ 250 dia	8 hours or less for sewers ≥ 250 dia	8 hours or less for sewers ≥ 250 dia	8 hours or less for sewers ≥ 250 dia
Customers are satisfied with the wastewater treatment and disposal service.	The total number of complaints received about sewerage odour; system faults or blockages, or the Council's response to issues with the sewerage system (per 1,000 connected properties).	6.28	13 or less	13 or less	13 or less	13 or less

Wastewater Treatment

PROJECTS

The table below sets out the projects that will be undertaken as part of the LTP 2018-2028.

	Year 1 2018/19 (\$m)	Year 2 2019/20 (\$m)	Year 3 2020/21 (\$m)	Year 4 2021/22 (\$m)	Year 5 2022/23 (\$m)	Year 6 2023/24 (\$m)	Year 7 2024/25 (\$m)	Year 8 2025/26 (\$m)	Year 9 2026/27 (\$m)	Year 10 2027/28 (\$m)
Flow metering	0.08	0.21	0.21							
NP WWTP staff welfare modifications	0.50									
Wastewater network modelling	1.51									
Wai Taatari project	1.51									
Upgrading of Huatoki Valley sewer main		0.21								
Wastewater pump station overflow prevention		0.23	0.53	0.81	0.82	0.84	0.86	0.88	0.91	0.93
Waitara outfall pump station - plant and equipment renewal		0.51								
Influent buffer lagoon		0.77								
Thermal dryer upgrade and renewal		5.19	10.48							
Elimination of use of Waitara marine outfall			0.11	0.97						
NP WWTP administration and work shop interior refurbishment			0.32							
Urenui Domain resewering				1.61						
Eastern sewer network realignment				8.60						
Junction growth area sewer upgrade					0.27					

FUNDING IMPACT STATEMENT

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	12.88	14.21	14.26	14.76	15.36	16.10	16.57	16.45	15.73	15.65	15.61
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	2.01	2.06	2.10	2.15	2.19	2.24	2.29	2.35	2.40	2.46	2.53
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	14.89	16.27	16.36	16.91	17.56	18.35	18.87	18.79	18.14	18.12	18.14
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	(4.54)	(5.27)	(5.49)	(5.58)	(5.70)	(5.60)	(5.93)	(6.09)	(6.19)	(6.34)	(6.51)
Finance costs	(3.29)	(2.77)	(2.85)	(2.89)	(3.23)	(3.53)	(3.34)	(3.16)	(3.02)	(2.89)	(2.78)
Internal charges and overheads applied	(2.71)	(3.23)	(3.29)	(3.35)	(3.46)	(3.49)	(3.56)	(3.66)	(3.72)	(3.79)	(3.90)
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	(10.53)	(11.27)	(11.63)	(11.82)	(12.39)	(12.62)	(12.84)	(12.91)	(12.92)	(13.03)	(13.19)
Surplus/(deficit) of operating funding (A - B)	4.36	5.00	4.73	5.09	5.17	5.73	6.03	5.89	5.22	5.09	4.94
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	0.30	0.67	1.05	1.18	1.26	1.34	1.37	1.39	1.38	1.38	1.38
Increase (decrease) in debt	1.37	0.45	0.55	0.49	6.24	(3.13)	(3.55)	(3.56)	(2.85)	(2.63)	(2.40)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	1.67	1.12	1.60	1.67	7.49	(1.79)	(2.18)	(2.16)	(1.46)	(1.25)	(1.02)

Wastewater Treatment

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	(0.89)	(1.47)	(2.60)	(3.25)	(8.71)	(0.37)	(0.11)	(0.12)	(0.12)	(0.12)	(0.12)
- to improve the level of service	(0.77)	(1.80)	(1.35)	(1.23)	(1.66)	(1.23)	(1.09)	(1.12)	(1.15)	(1.17)	(1.20)
- to replace existing assets	(7.17)	(3.40)	(5.75)	(9.88)	(4.38)	(2.39)	(2.44)	(2.50)	(2.56)	(2.63)	(2.69)
(Increase)/decrease in reserves	2.80	0.55	3.37	7.60	2.09	0.05	(0.21)	0.01	0.07	0.08	0.10
(Increase)/decrease of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(6.03)	(6.12)	(6.33)	(6.76)	(12.66)	(3.94)	(3.85)	(3.72)	(3.76)	(3.84)	(3.92)
Surplus/(deficit) of capital funding (C - D)	(4.36)	(5.00)	(4.73)	(5.09)	(5.17)	(5.73)	(6.03)	(5.89)	(5.22)	(5.09)	(4.94)
Funding balance (A - B) + (C - D)	-	-	-	-	-	-	-	-	-	-	-

Other information to be provided

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

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Depreciation and amortisation expense											
Depreciation expense	5.65	5.56	6.10	6.27	6.28	6.74	6.65	6.72	7.22	7.25	7.32
<i>less deferred/unfunded</i>	(3.63)	(2.72)	(3.71)	(3.99)	(3.99)	(4.40)	(4.00)	(4.23)	(4.72)	(4.71)	(4.72)
Net funding transferred to renewals reserves	2.02	2.85	2.38	2.28	2.29	2.34	2.65	2.49	2.49	2.54	2.60

Emergency Management and Business Continuance

WHAT WE DO

Civil Defence and business continuance planning.

- Regional civil defence management.
- Internal planning for business continuance.

As a member of the Taranaki Civil Defence Emergency Management Group, the Council works with the other Taranaki councils, the community and other agencies to plan for and manage the regional response to major or widespread emergency events. These activities ensure that there is a strong regional response to any civil defence emergency in the region. They also ensure our communities are aware of the hazards in the region and know how to prepare and recover from emergencies associated with those hazards.

We also manage the Council's internal crisis management response outside of Civil Defence activation. This includes planning systems and processes to ensure the Council can continue to operate as well as possible during an emergency event, both major and minor.

WHY WE DO IT

Activities within the Taranaki Civil Defence Emergency Management Group are driven by key legislation such as the Civil Defence Emergency Management Act 2002. This Act requires councils to take responsibility for the reduction of, readiness for, response to, and recovery from risks and events associated with emergency management.

All of our activities aim to reduce the effect of emergency events on the quality of life of our residents and ensure that Council services are maintained or restored as quickly as possible following an emergency event.

The emergency management and business continuance service supports the Council's strategic vision of *Building a Lifestyle Capital – putting people first and supporting a prosperous community.*

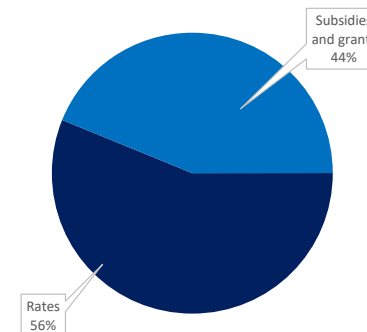


We support *putting people first – aroha ki te tangata* through supporting the community to reduce, prepare, respond and recover from natural disasters. Our civil defence work puts people first through the protection of people and property.

Our emergency planning and management also aims to reduce the economic impacts of an emergency event and ensure a fast recovery. In doing so, we contribute to *supporting a prosperous community – awhi mai awhi atu, tātou katoa.*

HOW WE PAY FOR IT

The service is funded through general rates.



Emergency Management and Business Continuance

Our Plans

The emergency management and business continuance service is responsible for ensuring the information we have relating to hazards and risks in the district is kept up-to-date. We must also ensure that Council plans (including the District Plan, business continuity plans and emergency response plans) are reviewed in accordance with that information.

Work is ongoing to ensure our internal Emergency Response and Business Continuity Plans and processes are up to date. Those plans and processes are tested annually and any opportunities for improvement addressed. Over the 10 years of the LTP we will continue to identify hazards, assess and plan for risk reduction/resilience, and update and review emergency management and business continuity plans.

We will also continue to work with the Taranaki Civil Defence Emergency Management Group, where work is underway to implement changes in the regional response to Civil Defence emergencies.

WHAT YOU CAN EXPECT FROM US

Level of Service	Performance Measure	Latest Result 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	By 2027/28
We plan for emergency events.	Emergency processes and plans are up to date.	Achieved	Emergency plans are reviewed	Emergency plans are reviewed	Emergency plans are reviewed	Emergency plans are reviewed

CHANGES TO LEVELS OF SERVICE

There are no changes to levels of service over the life of the LTP 2018-2028.

The proposed budgets reflect the work that is underway to implement changes in the regional response to Civil Defence emergencies.

EFFECTS ON THE COMMUNITY

All of our activities are about protecting people and property in the event of an emergency or a widespread event. There are no significant negative effects identified from this activity.

FUNDING IMPACT STATEMENT

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual charges, rates penalties	0.63	1.29	1.12	1.17	1.23	1.47	1.69	1.92	2.04	2.09	2.10
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	1.12	1.19	1.26	1.21	1.24	1.31	1.28	1.29	1.35	1.33
Fees and charges	0.02	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	0.65	2.41	2.30	2.44	2.44	2.71	3.00	3.20	3.34	3.44	3.43
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	(0.51)	(1.72)	(1.58)	(1.67)	(1.63)	(1.82)	(2.02)	(2.20)	(2.33)	(2.44)	(2.43)
Finance costs	-	(0.02)	(0.02)	(0.03)	(0.06)	(0.10)	(0.13)	(0.13)	(0.12)	(0.11)	(0.10)
Internal charges and overheads applied	(0.14)	(0.59)	(0.61)	(0.62)	(0.64)	(0.65)	(0.67)	(0.68)	(0.71)	(0.71)	(0.73)
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	(0.65)	(2.33)	(2.21)	(2.32)	(2.33)	(2.57)	(2.82)	(3.01)	(3.15)	(3.26)	(3.26)
Surplus/(deficit) of operating funding (A - B)	-	0.07	0.09	0.12	0.11	0.14	0.17	0.19	0.18	0.18	0.17
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	0.32	(0.04)	0.11	0.62	0.53	0.54	(0.13)	(0.15)	(0.11)	(0.11)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	0.32	(0.04)	0.11	0.62	0.53	0.54	(0.13)	(0.15)	(0.11)	(0.11)

Emergency Management and Business Continuance

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	(0.37)	(0.04)	(0.20)	(0.71)	(0.65)	(0.70)	(0.04)	(0.02)	(0.06)	(0.05)
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
(Increase)/decrease in reserves	-	(0.02)	(0.01)	(0.02)	(0.02)	(0.01)	(0.02)	(0.03)	(0.01)	(0.01)	(0.01)
(Increase)/decrease of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	-	(0.39)	(0.05)	(0.23)	(0.73)	(0.67)	(0.72)	(0.07)	(0.03)	(0.07)	(0.06)
Surplus/(deficit) of capital funding (C - D)	-	(0.07)	(0.09)	(0.12)	(0.11)	(0.14)	(0.17)	(0.19)	(0.18)	(0.18)	(0.17)
Funding balance (A - B) + (C - D)	-	-	-	-	-	-	-	-	-	-	-

Other information to be provided

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

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Depreciation and amortisation expense											
Depreciation expense	-	0.05	0.05	0.05	0.05	0.06	0.06	0.06	0.06	0.06	0.06
<i>less deferred/unfunded</i>	-	(0.03)	(0.04)	(0.03)	(0.04)	(0.05)	(0.04)	(0.03)	(0.05)	(0.05)	(0.05)
Net funding transferred to renewals reserves	-	0.02	0.01	0.03	0.02	0.01	0.02	0.02	0.01	0.01	0.01

Community Partnerships

WHAT WE DO

Working with people, community organisations and businesses to support a strong and connected community.

This includes.

- Partnering with groups in the community.
- Grants and funding.
- Support and advice.
- Housing for the elderly.

The community partnerships service works alongside community organisations, educational institutions, iwi, and business and government agencies to build a strong and connected community.

We offer advice and support to our partners to help them plan for the future and respond to the changing needs of the community. We also fund some key partnerships.

Community partnerships manages the Council's community grants funding scheme, offering contestable funding to organisations and groups whose projects align with our strategic vision and meet funding criteria.

We also provide affordable housing for eligible elderly people in the district. As part of this service, a Council Housing Officer makes regular visits to monitor the wellbeing of our tenants.

WHY WE DO IT

Strong and connected communities have a strong sense of identity. They are self-reliant and use the abilities and strengths of their people to find solutions to challenges and the resources they need to prosper.

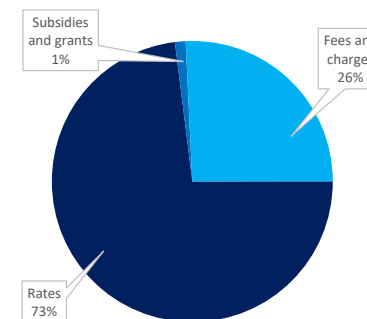


The community partnership service supports the Council's strategic vision of *Building a Lifestyle Capital – putting people first - aroha ki te tangata*. Our partnerships ensure that community and other organisations are equipped to make a significant contribution to the well-being and quality of life of our communities. We support community initiatives that create strong, resilient and connected communities that are enabled and engaged.

Our housing for the elderly service is about putting people first. We provide safe and quality accommodation for our tenants, enabling them to be involved in social and civic life.

HOW WE PAY FOR IT

The housing for the elderly service is self-funded. All maintenance, upkeep and other services are funded from rental income. Community partnerships and grants are funded through general rates.



Community Partnerships

OUR PLANS

The region's growing population is likely to increase demand for community services and initiatives in the district. An increasing ageing population and a higher proportion of Māori youth in the district will also likely increase demand for social and community services in these sectors.

The community partnerships service aims to improve engagement between the Council and the community. To ensure an effective response to the needs of our communities, we encourage collaboration between the different groups and agencies providing community initiatives in the district. We will continue to develop ongoing relationships with other council groups, government agencies, and community and stakeholder groups to support community-minded initiatives and decision-making. We will also continue to provide advice and support to groups and individuals whose work is aligned with our strategic vision. As part of managing community grants funding, we plan to allocate a start-up fund for new and creative collaborative community initiatives.

Projects include contracting a youth services provider to engage young people so they can have their voices heard. We will also fund capacity building services, and commit to service contracts reflecting the Council's decisions and commitments to the YMCA and North Taranaki Sport and Recreation.

With overwhelming support for retaining the housing for the elderly tenancy services, we will evaluate ways to meet the growing demand for our service. While we are committed to offering tenants rent that is below market rental pricing, part of our evaluation may include investigating the impact of rent increases. While retaining the self-funding model, rentals will need to increase to fund the replacement of existing units that are no longer fit for purpose. This will allow future decisions regarding potential investment and/or divestment to ensure that the housing for the elderly stock remains fit for purpose. We will therefore continue to ensure our properties are up to standard and fit for purpose, particularly in relation to the needs of the elderly such as accessibility supports.

CHANGES TO LEVELS OF SERVICE

Changes to levels of service over the life of the LTP 2018-2028 include the provision of some capacity building services, a youth services provider and a \$100,000 per annum increase to the community funding budget.

EFFECTS ON THE COMMUNITY

The services of community and voluntary organisations are about caring for people. They contribute to safe, resilient and sustainable communities that are engaged in social, cultural, economic and political life. There are no significant negative effects resulting from this activity.



WHAT YOU CAN EXPECT FROM US

Level of Service	Performance Measure	Latest Result 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	By 2027/28
We build strategic relationships that support collaboration, capability and capacity in the community sector.	The percentage of partners satisfied with the Council's advice and involvement in community initiatives.	100%	95%	95%	95%	95%
	The percentage of residents satisfied with the Council's assistance and support to community groups (NRB survey*).	90% compared to peer group average of 91%	Exceeds peer group average	Exceeds peer group average	Exceeds peer group average	Exceeds peer group average
We provide a 'start-up' fund to support creativity and collaboration in new community initiatives.	The number of initiatives receiving 'start-up' financial support.	4	3	3	3	3
We provide effective funding support for community organisations and initiatives.	The percentage of key performance indicators achieved by recipients of the Council's grants (as set out in funding contracts).	96%	95%	95%	95%	95%
We effectively coordinate and administer the housing for the elderly service.	The percentage of tenants satisfied with the service.	100%	90%	90%	90%	90%

* All NRB survey targets are excluding 'don't know' responses.

Community Partnerships

FUNDING IMPACT STATEMENT

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual charges, rates penalties	2.71	3.10	3.20	3.34	3.38	3.48	3.60	3.73	3.82	3.95	4.07
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Fees and charges	0.97	1.02	1.06	1.12	1.18	1.24	1.31	1.29	1.37	1.44	1.55
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	3.73	4.17	4.31	4.51	4.62	4.78	4.98	5.08	5.25	5.44	5.68
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	(3.01)	(3.24)	(3.31)	(3.38)	(3.44)	(3.52)	(3.64)	(3.75)	(3.82)	(3.97)	(4.13)
Finance costs	(0.02)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
Internal charges and overheads applied	(0.52)	(0.56)	(0.58)	(0.59)	(0.60)	(0.62)	(0.63)	(0.64)	(0.66)	(0.68)	(0.68)
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	(3.55)	(3.83)	(3.92)	(4.00)	(4.07)	(4.16)	(4.31)	(4.42)	(4.51)	(4.67)	(4.84)
Surplus/(deficit) of operating funding (A - B)	0.19	0.34	0.39	0.51	0.56	0.62	0.67	0.66	0.74	0.77	0.84
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.03)	(0.02)	(0.03)	(0.03)	(0.03)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.03)	(0.02)	(0.03)	(0.03)	(0.03)

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	(0.11)	(0.11)	(0.11)	(0.11)	(0.12)	(0.11)	(0.11)	(0.12)	(0.12)	(0.12)	(0.13)
(Increase)/decrease in reserves	(0.08)	(0.21)	(0.27)	(0.38)	(0.41)	(0.48)	(0.53)	(0.52)	(0.59)	(0.62)	(0.69)
(Increase)/decrease of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(0.19)	(0.33)	(0.38)	(0.48)	(0.53)	(0.59)	(0.64)	(0.64)	(0.71)	(0.74)	(0.82)
Surplus/(deficit) of capital funding (C - D)	(0.19)	(0.34)	(0.39)	(0.51)	(0.56)	(0.62)	(0.67)	(0.66)	(0.74)	(0.77)	(0.84)
Funding balance (A - B) + (C - D)	-	-	-	-	-	-	-	-	-	-	-

Other information to be provided

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

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Depreciation and amortisation expense											
Depreciation expense	0.19	0.29	0.32	0.33	0.33	0.35	0.35	0.35	0.38	0.38	0.38
<i>less deferred/unfunded</i>	-	(0.14)	(0.18)	(0.15)	(0.18)	(0.21)	(0.19)	(0.17)	(0.22)	(0.22)	(0.22)
Net funding transferred to renewals reserves	0.19	0.15	0.14	0.18	0.15	0.15	0.16	0.18	0.16	0.16	0.16

Govett-Brewster Art Gallery/Len Lye Centre

WHAT WE DO

Innovative and provocative works by national and international artists.

- Contemporary art exhibitions.
- Len Lye collection, and archive.
- State of the art cinema.
- Education and other programmes.
- Tours and workshops.
- Community events.

The Govett-Brewster Art Gallery is Aotearoa's leading contemporary art museum. Recognised nationally and internationally for its dedication to contemporary art and commitment to art from the Pacific, the gallery offers a wide range of dynamic exhibitions, community events and education programmes.

In 2015, the Len Lye Centre opened as an extension to the Govett-Brewster Art Gallery. New Zealand's first institution dedicated to a single artist, it is a facility of local, national and international significance. The Len Lye Centre provides a continuous, accessible and stimulating programme that explores the art and ideas of this pioneering filmmaker and kinetic sculptor.

WHY WE DO IT

Providing high-quality and diverse cultural and recreational experiences supports the Council's strategic vision of *Building a Lifestyle Capital – putting people first and supporting a prosperous community*.

The activities of this service contribute to the quality of life and cultural well-being of our people, and support the district's reputation as a national and international destination of choice.



The Gallery continually develops challenging and changing exhibitions, programmes and events as part of its role in contributing to *putting people first - aroha ki te tangata*.

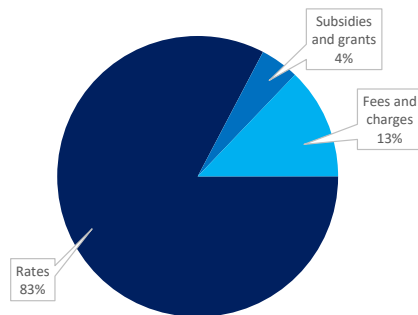
The Govett-Brewster Art Gallery and Len Lye Centre contribute to *supporting a prosperous community - awhi mai, awhi atu, tātou katoa* as the combined facility is a major contributor to the region's tourism sector, attracting 34,400 out-of-region visitors annually, including international visitors (according to BERL research). This contributes to a vibrant economy and raises the national and international profile of New Plymouth District as a cultural tourism experience.

HOW WE PAY FOR IT

The Govett-Brewster Art Gallery/Len Lye Centre service is funded primarily through general rates, plus fees and charges. We also raise revenue through fundraising, partnerships, donations, grants and sponsorship, and commercial activities including venue hire, the cinema, exhibition tours, retail shop sales and rent and a profit share from Monica's Eatery.

Additional funds for art acquisitions and some aspects of operation, are provided by the Govett-Brewster Foundation and through endowment funds.

We also apply for contestable Ministry of Education funding to deliver learning experiences outside the classroom (LEOTC) every three years.



OUR PLANS

With a changing demographic in the district, we will ensure the Govett-Brewster Art Gallery and Len Lye Centre accommodates the preferences of older residents. We will also continue to monitor feedback to maintain and increase visitor interest. Committed to growing our visitor base, we will continue to promote the Govett-Brewster and Len Lye Centre locally, nationally and internationally.

A reliance on external funding for art acquisitions and operation costs is an ongoing challenge for our service and we will continue to focus on securing

external funding and partnerships to support our wide range of exhibitions and other programmes, including the new Len Lye Cinema.

The Ministry of Education contestable funding for our LEOTC programme is secured up to December 2018. We will be seeking further triennial funding in July 2018. We have secured a new triennial programming grant from Creative New Zealand Toi Aotearoa for 2018-2020.

CHANGES TO LEVELS OF SERVICE

Operational budgets over the life of the LTP 2018-2028 reflect the adjustments needed following the ongoing success of large visitor numbers and the Council's decision to include a non-New Plymouth District resident visitor charge of \$15 from 1 August 2018.

EFFECTS ON THE COMMUNITY

Our exhibitions and community programmes are accessible and engaging for residents and visitors from diverse communities, including iwi. There are no significant negative effects identified from this activity.

Govett-Brewster Art Gallery/Len Lye Centre

WHAT YOU CAN EXPECT FROM US

Level of Service	Performance Measure	Latest Result 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	By 2027/28
We provide access to an engaging range of contemporary art from NZ and around the world.	The annual number of exhibitions on offer.	6	7	7	7	7
	The annual number of visitor entries.	116,206	116,000	116,000	116,000	116,000
	The percentage of residents satisfied with the service (NRB survey*).	69% compared to peer group average 91%	Meets or exceeds peer group average	Meets or exceeds peer group average	Meets or exceeds peer group average	Meets or exceeds peer group average
	The percentage of customers satisfied with their overall experience at the Govett-Brewster Art Gallery and Len Lye Centre (in-house surveys).	New measure	82%	82%	82%	82%

* All NRB survey targets are excluding 'don't know' responses.



FUNDING IMPACT STATEMENT

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual charges, rates penalties	3.70	4.33	4.47	4.75	4.71	4.82	4.99	5.12	5.22	5.37	5.45
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	0.43	0.28	0.28	0.38	0.28	0.28	0.23	0.23	0.23	0.23	0.23
Fees and charges	0.36	0.67	0.71	0.72	0.74	0.76	0.77	0.79	0.81	0.83	0.85
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	4.48	5.28	5.45	5.85	5.72	5.85	5.99	6.14	6.26	6.43	6.53
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	(3.03)	(3.62)	(3.70)	(4.03)	(3.86)	(3.94)	(4.02)	(4.11)	(4.20)	(4.29)	(4.39)
Finance costs	-	(0.02)	(0.02)	(0.03)	(0.03)	(0.03)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
Internal charges and overheads applied	(1.42)	(1.40)	(1.48)	(1.51)	(1.55)	(1.59)	(1.64)	(1.67)	(1.71)	(1.77)	(1.79)
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	(4.45)	(5.04)	(5.21)	(5.56)	(5.43)	(5.56)	(5.69)	(5.82)	(5.95)	(6.11)	(6.22)
Surplus/(deficit) of operating funding (A - B)	0.03	0.24	0.24	0.29	0.29	0.29	0.30	0.33	0.31	0.32	0.32
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0.01	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	0.01	0.04	0.03	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	0.02	0.04	0.03	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02

Govett-Brewster Art Gallery/Len Lye Centre

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.06)
- to replace existing assets	(0.08)	(0.16)	(0.16)	(0.17)	(0.17)	(0.17)	(0.18)	(0.18)	(0.19)	(0.19)	(0.20)
(Increase)/decrease in reserves	0.03	(0.07)	(0.06)	(0.10)	(0.10)	(0.09)	(0.09)	(0.11)	(0.09)	(0.09)	(0.08)
(Increase)/decrease of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(0.05)	(0.28)	(0.27)	(0.31)	(0.32)	(0.31)	(0.32)	(0.35)	(0.32)	(0.34)	(0.33)
Surplus/(deficit) of capital funding (C - D)	(0.03)	(0.24)	(0.24)	(0.29)	(0.29)	(0.29)	(0.30)	(0.33)	(0.31)	(0.32)	(0.32)
Funding balance (A - B) + (C - D)	-	-	-	-	-	-	-	-	-	-	-

Other information to be provided

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

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Depreciation and amortisation expense											
Depreciation expense	0.04	0.55	0.61	0.62	0.62	0.67	0.66	0.66	0.71	0.72	0.72
<i>less deferred/unfunded</i>	-	(0.32)	(0.38)	(0.36)	(0.36)	(0.40)	(0.39)	(0.37)	(0.44)	(0.44)	(0.44)
Net funding transferred to renewals reserves	0.04	0.23	0.23	0.26	0.27	0.27	0.27	0.30	0.27	0.28	0.28

Puke Ariki and Community Libraries

WHAT WE DO

Combined museum, library and visitor information centre.

- Central and community libraries.
- Mobile library service.
- Taranaki Research Centre.
- Education and community programmes.
- Taranaki heritage collections.
- Three long-term museum galleries.
- Two annual exhibitions in temporary gallery.
- I-SITE Visitor Centre.

Puke Ariki's central library, five community libraries, mobile library, museum and visitor information centre connect Taranaki residents and out-of-region visitors to a wealth of knowledge, exhibitions, experiences and resources. We are a dynamic people-orientated centre, protecting and promoting access to the heritage of the district and our country. We provide an accessible mix of print and digital lending and reference resources to meet the changing needs of our community.

WHY WE DO IT

The services of Puke Ariki and community libraries supports the Council's strategic vision of *Building a Lifestyle Capital – putting people first and supporting a prosperous community*.



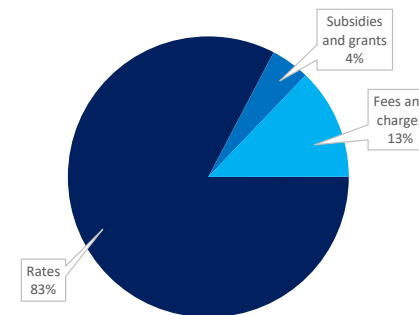
Puke Ariki and community libraries *supports putting people first - aroha ki te tangata* through providing the community with access to quality information and space for social contact in a safe, neutral environment. Our exhibitions, heritage collections,

research facilities and public and education programmes foster a collective sense of identity in the community. We contribute to a strong sense of Taranaki culture and identity and offer experiences that nurture a greater understanding of Te Ao Māori.

Free access to Puke Ariki collections, the internet, and programmes and events *supports a prosperous community – awhi mai awhi atu, tātou katoa*. Our central and community library services build prosperity, knowledge, skills and literacy within the community by providing learning opportunities to maximise the potential of our people. The i-SITE Visitor Information Centre provides valuable local knowledge that directs visitors to local attractions and encourages them to stay longer. This supports and promotes a diverse range of local businesses, and contributes to a diverse economy.

HOW WE PAY FOR IT

This activity receives its core funding from New Plymouth District Council but also raises revenue through sponsorship, grants, commission from bookings made through the i-SITE, shop sales, hireage of spaces, and rent from the Taranaki Daily News Café and Arborio restaurant.



Puke Ariki and Community Libraries

OUR PLANS

Alongside traditionally lending services, libraries are now community hubs where people can use the internet, hold meetings, do business with the Council, participate in community and education programmes, study and more. In a digital and technological world, our services are evolving to meet our users' expectations. Part of this is to redevelop the Puke Ariki website so that our customers can easily access our services.

Highly regarded by local, national and international visitors, Puke Ariki will continue to offer services that contribute to the district as a premier destination. We will continue to incorporate new developments in visitor engagement to maximise their exhibition experience. This includes seeking funding to upgrade the Puke Ariki theatre experience.

We know that over 70 per cent of our museum visitors are from Taranaki and we are committed to building on this. We will continue our long-term gallery refreshment programme, which includes the regular change out of heritage collection items, renewal of appropriate exhibition furniture, and integrating new technology.

An estimated 53 per cent of our heritage collection is currently available digitally. There is an increasing demand for digital access to our heritage resources and a growing customer expectation that all of the Puke Ariki collection is available online. This is aligned with the broader Digital Council project currently underway.

CHANGES TO LEVELS OF SERVICE

Capital expenditure planning works are proposed to Puke Ariki and our community library service over the life of the LTP 2018-2028.

EFFECTS ON THE COMMUNITY

Puke Ariki provides residents and visitors learning opportunities to maximise their potential and capacity. There are no significant negative effects identified from this activity.



WHAT YOU CAN EXPECT FROM US

Level of Service	Performance Measure	Latest Result 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	By 2027/28
We provide an accessible and informative point of contact and booking service for visitors to New Plymouth District.	The percentage of customers satisfied with the i-SITE Visitor Information Centre (in-house survey).	99%	95%	95%	95%	98%
We provide an accessible mix of lending and reference resources that meet the changing needs of the community.	The percentage of customers who are satisfied with the library collections (in-house surveys).	95%	95%	95%	95%	95%
	The number of library members.	New measure	28,000	28,500	29,000	30,000
	The annual number of library items loaned.	New measure	795,000	795,000	795,000	800,000
We offer widely accessible and engaging education programmes.	The annual number of programmed learning opportunities on offer.	1,582 programmes	1,200 programmes	1,200 programmes	1,200 programmes	1,200 programmes
	The number of participants attending.	32,020	29,000	29,000	29,000	29,000
	The percentage of participants satisfied with programmes (in-house).	99% satisfaction	95% satisfaction	95% satisfaction	95% satisfaction	95% satisfaction
We provide 24/7 online access to the heritage collection.	The number of digital heritage records created or improved annually.	11,623	11,000	11,000	11,000	11,000

PROJECTS

The table below sets out the projects that will be undertaken as part of the LTP 2018-2028.

	Year 1 2018/19 (\$m)	Year 2 2019/20 (\$m)	Year 3 2020/21 (\$m)	Year 4 2021/22 (\$m)	Year 5 2022/23 (\$m)	Year 6 2023/24 (\$m)	Year 7 2024/25 (\$m)	Year 8 2025/26 (\$m)	Year 9 2026/27 (\$m)	Year 10 2027/28 (\$m)
Archive building fit-out	0.30									
Library Strategy: Puke Ariki and Community Libraries: planning and development			1.43	1.46	1.48					3.83

Puke Ariki and Community Libraries

FUNDING IMPACT STATEMENT

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual charges, rates penalties	10.93	10.35	10.68	11.00	11.91	12.04	12.24	12.51	12.83	13.15	13.56
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	0.44	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Fees and charges	0.40	0.41	0.42	0.42	0.43	0.44	0.44	0.45	0.46	0.47	0.48
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	11.77	11.17	11.51	11.83	12.74	12.88	13.09	13.37	13.70	14.03	14.45
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	(5.64)	(5.78)	(5.82)	(6.01)	(6.11)	(6.28)	(6.40)	(6.53)	(6.68)	(6.82)	(7.00)
Finance costs	-	(0.07)	(0.09)	(0.16)	(0.23)	(0.34)	(0.34)	(0.34)	(0.34)	(0.34)	(0.53)
Internal charges and overheads applied	(5.20)	(3.45)	(3.64)	(3.61)	(4.00)	(3.76)	(3.85)	(3.92)	(4.03)	(4.13)	(4.21)
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	(10.83)	(9.30)	(9.54)	(9.78)	(10.34)	(10.37)	(10.59)	(10.80)	(11.05)	(11.29)	(11.75)
Surplus/(deficit) of operating funding (A - B)	0.93	1.87	1.97	2.05	2.40	2.50	2.50	2.57	2.64	2.74	2.70
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	0.14	0.23	0.25	0.27	0.29	0.29	0.30	0.30	0.30	0.30
Increase (decrease) in debt	0.49	0.42	0.02	1.16	1.12	1.06	(0.23)	(0.22)	(0.24)	(0.24)	2.96
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	0.49	0.56	0.25	1.41	1.39	1.35	0.06	0.08	0.06	0.05	3.26

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	-	-	-	(0.24)	(0.25)	(0.25)	-	-	-	-	(0.65)
- to improve the level of service	(0.49)	(0.58)	(0.29)	(1.24)	(1.27)	(1.29)	(0.32)	(0.33)	(0.34)	(0.34)	(2.88)
- to replace existing assets	(1.18)	(1.31)	(1.52)	(2.03)	(1.71)	(1.74)	(1.61)	(1.65)	(1.69)	(1.73)	(2.43)
(Increase)/decrease in reserves	0.24	(0.54)	(0.40)	0.05	(0.56)	(0.57)	(0.64)	(0.67)	(0.68)	(0.72)	0.01
(Increase)/decrease of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(1.43)	(2.43)	(2.21)	(3.46)	(3.79)	(3.85)	(2.56)	(2.65)	(2.70)	(2.79)	(5.96)
Surplus/(deficit) of capital funding (C - D)	(0.93)	(1.87)	(1.97)	(2.05)	(2.40)	(2.50)	(2.50)	(2.57)	(2.64)	(2.74)	(2.70)
Funding balance (A - B) + (C - D)	-	-	-	-	-	-	-	-	-	-	-

Other information to be provided

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

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Depreciation and amortisation expense											
Depreciation expense	0.81	1.62	1.77	1.82	1.82	1.95	1.93	1.94	2.09	2.10	2.11
<i>less deferred/unfunded</i>	(0.37)	0.23	0.15	0.16	0.45	0.36	0.32	0.37	0.28	0.35	0.31
Net funding transferred to renewals reserves	0.44	1.85	1.92	1.98	2.27	2.31	2.24	2.32	2.36	2.45	2.42

Venues and Events

WHAT WE DO

Provide events, venues and aquatic services.

- TSB Stadium.
- TSB Showplace.
- Yarrow Stadium.
- TSB Bowl of Brooklands.
- Todd Energy Aquatic Centre.
- Community pools.
- Major concerts and sports events.
- Festival of Lights and community events.
- Support for WOMAD.

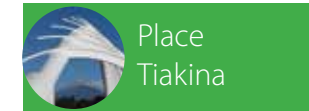
The venues and events service comprises a broad group of activities, including attracting and managing a diverse programme of events at the TSB Bowl of Brooklands, TSB Showplace, TSB Stadium and Yarrow Stadium.

Our community events include the annual TSB Festival of Lights, the Home and Lifestyle Expo, local Waitangi Day celebrations and other civic events. We also support other local events such as WOMAD. The Central City Facilitator is included within this service, with responsibility for encouraging people into the CBD to revitalise New Plymouth's city centre and support local business.

The Todd Energy Aquatic Centre caters for a range of ages and activities, including learn to swim and fitness classes. The district's four community pools operate seasonally, over the summer months. The Council provides financial support to the Bell Block Community Pool Society Incorporated for the Bell Block Community Pool.

WHY WE DO IT

All of the activities in the venues and events service play an important part in the Council's strategic vision of *Building a Lifestyle Capital – putting people first, supporting a prosperous community and caring for our place.*



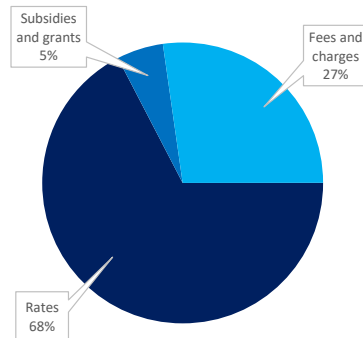
Providing community, arts, cultural and sporting events *supports putting people first – aroha ki te tangata* by encouraging a sense belonging within the community.

The range of high quality and affordable venues and events available to residents also reinforces New Plymouth as a visitor destination for leisure, events and cultural activities. This provides opportunities for economic growth and diversification in the tourism market and therefore contributes to *supporting a prosperous community - awhi mai, awhi atu, tātou katoa*. A strategic approach to a thriving central city also contributes to ongoing economic growth in the district, supporting a vibrant and prosperous community.

Providing high-quality and affordable recreation and sport opportunities encourages an active lifestyle, promoting *caring for our place - manaaki whenua, manaaki tangata, haere whakamua*.

HOW WE PAY FOR IT

This service is funded through general rates, user fees and charges, sponsorship, grants and donations.



OUR PLANS

With many of our activities at full capacity, the venues and events service will be challenged by factors such as future growth in the district’s population, an ageing population, ageing infrastructure and by increased popularity of the district as a tourist destination.

Attracting events is a core activity of the venues and events service. Demand on venues such as TSB Stadium and TSB Showplace means these are operating at full capacity. Better regional access as a result of State Highway 3 development and expansion of the New Plymouth airport is likely to create a rise in visitor numbers, and provide opportunities to secure more events. With increased competition in attracting major events, we need to ensure we have the operational capability and staff to manage new business in an organised and proactive way. We also need to ensure our venues maintain or develop supporting infrastructure and facilities that meet customer expectations of a successful event. We are committed to providing an excellent service for local residents and to supporting the district’s growth as a visitor destination.

Community use of the Todd Energy Aquatic Centre is very high and congested at times. Meeting customer expectations, especially with the indoor pool, is not always possible. The centre’s infrastructure is ageing and we are currently conducting feasibility studies to investigate redevelopment. Ideally, any proposed redevelopment would consider increases in demand as a result of a growing population, the competing demands of our users and the opportunity to create a world class facility as a feature of the visitor experience.

A heavy reliance on sponsorship in this activity is a challenge in a fiscally constrained environment. This is particularly so for the events service, where a greater number of organisations and events are competing for often reduced pools of contestable funding and sponsorship. The Events activity is committed to growing our highly successful community events to meet community expectations and to attract sponsorship and other funding in a competitive market.

The venues and events activity will likely require significant investment in both assets and service development to meet growing and changing demands over the next 10 years. Any future investment will be considered in relation to the Council’s Revenue and Financing Policy aimed at reducing reliance on rates.

CHANGES TO LEVELS OF SERVICE

Service level capital expenditure projects of \$4.5m are proposed over the life of the LTP 2018-2028.

Additional operating expenditure of \$100,000 per annum is provided to allow venues to attract events and generate revenue.

Venues and Events

EFFECTS ON THE COMMUNITY

Venues and service can have a range of effects on the community. Many of the positive effects are outlined in the section “why we do it”. Potential negative effects are identified in the following table.

Effect	How the Council intends to mitigate the effect
Staging of events can create noise, traffic congestion, and inconvenience caused by road closures.	All events are managed within existing resource consent conditions. All major event planning includes provision for traffic management plans. All road closures are approved by the Council after the community has been notified and consulted.
There is a risk of inappropriate behaviour associated with patrons of events such as vandalism or other behaviour related incidents.	The Council works closely with the district police and the contracted security providers to ensure appropriate security arrangements are in place via the undertaking of risk assessments and planning for major events.
Events can generate additional waste.	A zero waste policy is developed for major events, and recycling receptacles are provided at all Council event venues to minimise the residual waste.
At district pools there are risks associated with water safety and hygiene.	We maintain water safety and quality at the district pools by achieving Poolsafe accreditation and ensuring staff are appropriately trained.



WHAT YOU CAN EXPECT FROM US

Level of Service	Performance Measure	Latest Result 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	By 2027/28
We provide high quality community pools that encourage community participation in aquatic activities.	The percentage of residents satisfied with the Council's swimming facilities (NRB survey*).	96%	94%	94%	94%	94%
	The number of pool patrons per year.	397,185	390,000	390,000	390,000	390,000
We provide a range of appealing events at high quality venues.	The percentage of residents satisfied with Council's events (NRB survey*).	95%	95%	95%	95%	95%
	The percentage of residents satisfied with the Council's events venues (NRB survey*).	98%	95%	95%	95%	95%
We provide a network of high quality venues that create opportunities for the community to attend arts, cultural, sporting and recreation activities.	The number of attendees and events/bookings across all venues. ¹	326,619 attendees	280,000 attendees	280,000 attendees	300,000 attendees	300,000 attendees
		1,160 events	1,000 events	1,000 events	1,100 events	1,100 events

¹ The Council has reduced the expected number of attendees and events/bookings as a result of the closure of Yarrow Stadium's east and west stands.

* All NRB survey targets are excluding 'don't know' responses.

PROJECTS

The table below sets out the project that will be undertaken as part of the LTP 2018-2028.

	Year 1 2018/19 (\$m)	Year 2 2019/20 (\$m)	Year 3 2020/21 (\$m)	Year 4 2021/22 (\$m)	Year 5 2022/23 (\$m)	Year 6 2023/24 (\$m)	Year 7 2024/25 (\$m)	Year 8 2025/26 (\$m)	Year 9 2026/27 (\$m)	Year 10 2027/28 (\$m)
TSB Stadium - toilet block	0.76									

Venues and Events

FUNDING IMPACT STATEMENT

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual charges, rates penalties	7.80	8.43	8.76	9.10	9.27	9.39	9.82	9.96	10.23	10.82	11.08
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	0.91	0.79	0.76	0.76	0.76	0.78	0.78	0.78	0.78	0.78	0.75
Fees and charges	3.44	3.14	3.24	3.56	3.39	3.97	4.40	4.15	4.29	4.68	4.35
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	12.15	12.35	12.77	13.43	13.42	14.14	15.00	14.89	15.30	16.28	16.18
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	(7.93)	(7.76)	(7.94)	(8.58)	(8.29)	(8.91)	(9.65)	(9.35)	(9.61)	(10.34)	(10.07)
Finance costs	-	(0.09)	(0.10)	(0.10)	(0.10)	(0.12)	(0.15)	(0.21)	(0.24)	(0.26)	(0.29)
Internal charges and overheads applied	(4.38)	(2.97)	(3.11)	(3.02)	(3.10)	(3.16)	(3.29)	(3.32)	(3.37)	(3.50)	(3.67)
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	(12.31)	(10.82)	(11.15)	(11.71)	(11.50)	(12.19)	(13.09)	(12.88)	(13.22)	(14.10)	(14.02)
Surplus/(deficit) of operating funding (A - B)	(0.17)	1.53	1.62	1.72	1.92	1.95	1.91	2.01	2.07	2.17	2.16
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	0.82	-	(0.02)	(0.02)	(0.02)	0.48	0.96	0.40	0.37	0.36
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	0.82	-	(0.02)	(0.02)	(0.02)	0.48	0.96	0.40	0.37	0.36

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	(0.06)	(0.85)	(0.06)	(0.06)	(0.06)	(0.07)	(0.57)	(1.07)	(0.57)	(0.57)	(0.57)
- to replace existing assets	(1.59)	(1.71)	(1.44)	(1.28)	(1.26)	(1.27)	(1.41)	(1.32)	(1.40)	(1.29)	(1.28)
(Increase)/decrease in reserves	1.82	0.20	(0.11)	(0.36)	(0.58)	(0.59)	(0.40)	(0.59)	(0.50)	(0.67)	(0.67)
(Increase)/decrease of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	0.17	(2.35)	(1.61)	(1.70)	(1.90)	(1.92)	(2.38)	(2.97)	(2.47)	(2.54)	(2.52)
Surplus/(deficit) of capital funding (C - D)	0.17	(1.53)	(1.62)	(1.72)	(1.92)	(1.95)	(1.91)	(2.01)	(2.07)	(2.17)	(2.16)
Funding balance (A - B) + (C - D)	-	-	-	-	-	-	-	-	-	-	-

Other information to be provided

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

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Depreciation and amortisation expense											
Depreciation expense	0.09	1.78	1.95	2.00	2.00	2.15	2.11	2.13	2.29	2.30	2.32
<i>less deferred/unfunded</i>	(0.26)	(0.27)	(0.40)	(0.36)	(0.17)	(0.29)	(0.30)	(0.23)	(0.39)	(0.33)	(0.37)
Net funding transferred to renewals reserves	(0.17)	1.51	1.55	1.64	1.83	1.86	1.81	1.90	1.90	1.97	1.95

Customer and Regulatory Solutions

WHAT WE DO

Develop, implement and enforce national and local rules that protect the natural and built environment and public and environmental health.

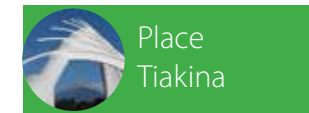
- Customer services.
- Building control.
- Resource consents.
- District Plan.
- Parking.
- Animal control.
- Environmental health.

The first point of contact for the Council's regulatory services is our customer services team, who assist customers by telephone, email or in person at the civic centre. Enquiries that need further input are recorded as service requests and forwarded to the relevant teams in the organisation.

Our regulatory teams process building, land use and subdivision consents, food, alcohol, health and encroachment licences and issue dog licences. We monitor and enforce legislation and bylaws for all of these functions as well as parking control, and health and noise nuisances. We develop the District Plan and other policies that guide the future development of the district. We also provide case management for projects and events that require involvement of multiple Council teams.

WHY WE DO IT

The customer and regulatory solutions service plans for the future, supporting the Council's strategic vision of *Building a Lifestyle Capital – putting people first, supporting a prosperous community and caring for our place.*



The customer and regulatory solutions service promotes *putting people first - aroha ki te tangata* through its regulation of environmental health. Enforcing environmental health legislation ensures businesses selling food and alcohol meet their public health obligations and that people can enjoy their lifestyle free of nuisance or risk. Animal control activities, including the regulation of dog ownership ensures people and wildlife are protected from nuisance or injury caused by dogs and that owners are educated and informed about the way their animals should be managed. Enforcing parking regulations makes sure there is fair, safe and easy access to the city and its suburbs.

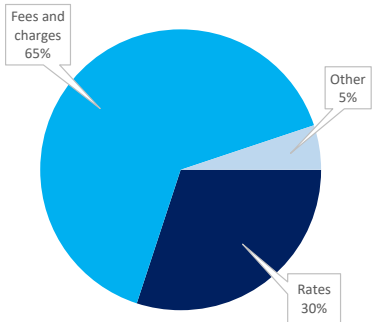
Our customer service teams make it easy to do business with us, again putting people first. People are our priority and we make sure our customers have access to the information and services they need.

Forward planning and regulation helps mitigate potential negative effects of growth and development and supports sustainable management of the district's economic and environmental resources. Our work ensures there is adequate and appropriate land for residential, commercial, industrial and agricultural use and that buildings in the New Plymouth District are safe, healthy and durable. This contributes to *supporting a prosperous community - awhi mai, awhi atu, tātou katoa.*

Our district planning work, alongside our monitoring and enforcement activities, promotes *caring for our place - manaaki whenua, manaaki tangata, haere whakamua.*

HOW WE PAY FOR IT

This service is funded through general rates, fees and charges and enforcement revenue.



OUR PLANS

We’re planning for growing communities. One of the challenges of a growing population is increased demand for resource and building consents and the associated inspections and compliance processes. In keeping up with demand, the Customer and Regulatory Solutions service will continue to meet the expectations of our customers, ensuring our responses are both timely and integrated and that we have the right number of qualified people to meet demand. Our planning means we will resource effectively for future development, including planning for the needs of an increasingly ageing population.

An increasing population also impacts areas such as parking. We will continue to monitor parking trends for parking bays, lease parking and suburban streets to ensure our parking system is fair, affordable, accessible and fit for the district. We also plan to find parking solutions that support New Plymouth’s CBD as a thriving central city.

This service has seen an increase in demand for public advice and associated services. We make education a priority in meeting this demand. In areas such as animal control, our officers will continue to work with schools, businesses and

community groups to educate the public around dog safety. We will also look at ways to reduce the number of unregistered dogs and the number of menacing dogs in the community and encourage responsible ownership.

Across the service, we plan to put people first. We want to make use of technology to increase efficiency and access for our customers, making more services accessible online, including through social media. We are working on smart systems that will improve our planning and building control services. This includes online and digital services for all of our regulatory functions with focus on consent lodgement, processing and inspections. We’re aiming to give our communities fast, efficient service in person, on the phone, or online.

CHANGES TO LEVELS OF SERVICE

Customer and Regulatory Solutions will continue to make use of technology to increase efficiency and access for our customers, making more services accessible online. Budgets reflect population growth and the projected demand on services. There are no other significant proposed changes to levels of service for customer and regulatory solutions over the life of the LTP 2018-2028.

Customer and Regulatory Solutions

EFFECTS ON THE COMMUNITY

Customer and Regulatory Solutions can have a range of effects on the community. Many of the positive effects are outlined in the section “why we do it”. Potential negative effects are identified in the following table.

Effect	How the Council intends to mitigate the effect
<p>Community satisfaction</p> <p>No single policy, piece of legislation, bylaw or regulation satisfies 100 per cent of the community. In all regulatory activities there is potential for individuals or groups to perceive negative effects.</p>	<p>The Council involves, informs and educates the community on the purpose of existing and proposed policy and regulation.</p> <p>Development of policy, consent and enforcement decisions is balanced with the rights of individuals and with the rights of the wider community.</p> <p>We aim for decisions to be fair and equitable to all parties involved.</p>
<p>Building Control</p> <ul style="list-style-type: none"> Customers could experience delay and additional development costs if quality and timeliness of consent and inspection procedures is not maintained to a high standard. People are at risk if quality of building consent and inspection procedures is not maintained. 	<ul style="list-style-type: none"> Accreditation as a Building Control Authority ensures our processes are robust, and always seeking ways to improve services. Maintain accreditation and competency and conduct internal auditing.

Effect	How the Council intends to mitigate the effect
<p>Resource Consents</p> <ul style="list-style-type: none"> Can be conflicting views on outcomes of significant application decisions. Planning may not meet development demand and there may be a shortage of residential sections available. Costs of legislative changes may impact on anticipated cost recovery. Loss of cultural landscape through land development. 	<ul style="list-style-type: none"> We aim for transparent processes and clear communication to community. Teams engaged in land development work together to ensure there is an integrated and strategic approach to land supply and urban development outcomes, using urban design principles. We conduct annual reviews to reduce costs and ensure cost recovery of consent processing and compliance is monitored. We monitor compliance and engage with iwi/hapū in consent processing to ensure cultural heritage is protected.

WHAT YOU CAN EXPECT FROM US

Level of Service	Performance Measure	Latest Result 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	By 2027/28
Our animal control processes contribute to a safe and healthy community.	The percentage of animal control emergency situations* responded to within two hours.	New measure	100%	100%	100%	100%
	The percentage of known dogs registered.	94%	95%	95%	95%	95%
	The percentage of residents satisfied with animal control activities (NRB survey**).	94% compared to peer group average of 75%	Exceeds peer group average	Exceeds peer group average	Exceeds peer group average	Exceeds peer group average
We respond to formal complaints in a timely manner.	The percentage of formal complaints that receive an interim reply or are resolved within five working days.	New measure	90%	90%	90%	90%
We process requests for official information within timeframes set under Local Government Official Information and Meetings Act (1987).	The percentage of requests for official information completed within statutory timeframe.	New measure	100%	100%	100%	100%
We conduct licensing inspections in accordance with statutory requirements.	All businesses required to be licensed are inspected in accordance with statutory requirements.	New measure	100%	100%	100%	100%
We process consent applications within statutory timeframes.	The percentage of building applications processed within statutory timeframes (consents and code compliance certificates).	99.6%	100%	100%	100%	100%
	The percentage of non-notified resource management consents processed within statutory timeframes.	97.5%	100%	100%	100%	100%

* Animal control emergency situations: assisting emergency services, attacks by dogs, stock on the roads and injured animals.

** All NRB survey targets are excluding 'don't know' responses.

Customer and Regulatory Solutions

PROJECTS

The table below sets out the projects that will be undertaken as part of the LTP 2018-2028.

	Year 1 2018/19 (\$m)	Year 2 2019/20 (\$m)	Year 3 2020/21 (\$m)	Year 4 2021/22 (\$m)	Year 5 2022/23 (\$m)	Year 6 2023/24 (\$m)	Year 7 2024/25 (\$m)	Year 8 2025/26 (\$m)	Year 9 2026/27 (\$m)	Year 10 2027/28 (\$m)
Parking equipment renewal	0.81									
Digitising property files and consents process project	1.14	0.58								
Downtown Car Park building component renewals and automation		0.22	0.22							
Downtown Car Park earthquake strengthening		0.26	0.26							



FUNDING IMPACT STATEMENT

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual charges, rates penalties	3.36	4.44	4.09	4.26	3.84	3.93	4.09	4.25	4.32	4.49	4.43
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	9.07	8.28	8.44	8.61	8.78	8.96	9.14	9.34	9.55	9.77	9.99
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	0.96	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72
Total operating funding (A)	13.39	13.44	13.25	13.59	13.34	13.61	13.95	14.31	14.59	14.98	15.14
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	(6.53)	(7.04)	(7.13)	(7.38)	(7.61)	(7.75)	(7.98)	(8.17)	(8.32)	(8.54)	(8.69)
Finance costs	-	(0.03)	(0.04)	(0.04)	(0.04)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)
Internal charges and overheads applied	(5.80)	(5.12)	(5.35)	(5.44)	(5.54)	(5.65)	(5.77)	(5.87)	(6.05)	(6.25)	(6.28)
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	(12.33)	(12.19)	(12.52)	(12.86)	(13.19)	(13.45)	(13.79)	(14.09)	(14.42)	(14.83)	(15.02)
Surplus/(deficit) of operating funding (A - B)	1.06	1.25	0.73	0.73	0.15	0.16	0.16	0.21	0.17	0.15	0.12
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	(0.01)	(0.02)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.04)	(0.04)	(0.04)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	(0.01)	(0.02)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.04)	(0.04)	(0.04)

Customer and Regulatory Solutions

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	(0.93)	(0.63)	(0.54)	(0.61)	(0.65)	(0.03)	(0.03)	(0.05)	(0.02)	-
(Increase)/decrease in reserves	(1.06)	(0.31)	(0.08)	(0.15)	0.49	0.52	(0.10)	(0.15)	(0.08)	(0.08)	(0.09)
(Increase)/decrease of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(1.06)	(1.24)	(0.71)	(0.69)	(0.12)	(0.13)	(0.12)	(0.18)	(0.13)	(0.11)	(0.09)
Surplus/(deficit) of capital funding (C - D)	(1.06)	(1.25)	(0.73)	(0.73)	(0.15)	(0.16)	(0.16)	(0.21)	(0.17)	(0.15)	(0.12)
Funding balance (A - B) + (C - D)	-	-	-	-	-	-	-	-	-	-	-

Other information to be provided

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

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Depreciation and amortisation expense											
Depreciation expense	0.18	0.38	0.41	0.42	0.42	0.45	0.45	0.45	0.48	0.49	0.49
<i>less deferred/unfunded</i>	(0.05)	0.86	0.30	0.27	(0.31)	(0.33)	(0.32)	(0.27)	(0.35)	(0.38)	(0.40)
Net funding transferred to renewals reserves	0.13	1.24	0.71	0.70	0.12	0.13	0.12	0.18	0.13	0.11	0.09

Economic Development

WHAT WE DO

Identifying and embracing opportunities for economic growth and diversification.

- Venture Taranaki.
- Regional collaboration.
- Economic Strategy and Action Plan.

We work collaboratively with other councils, central government and other agencies in the region to develop and improve the local economy. This includes directly funding and overseeing Venture Taranaki Trust, the Council-controlled organisation responsible for economic development and tourism industry support services in the district. Venture Taranaki Trust also has agreements with South Taranaki District Council and Stratford District Council to deliver similar services in those districts.

The Council's priorities for economic development are set out in *Tapuae Roa: Make Way for Taranaki* – the Regional Economic Development Strategy and Action Plan adopted in February 2018. The Strategy takes a cross-regional approach, focusing on unlocking opportunities for economic growth in the region. The Strategy's mission statement: *Taranaki, where talent becomes enterprise – Kia eke panuku*, captures the regional vision for Taranaki as a place that offers an attractive lifestyle for talented people, in a high value economy.

WHY WE DO IT

The government has a vested interest in ensuring New Zealand's regions enjoy prosperity and success. We work collaboratively with the other Taranaki councils, central government and the private sector toward economic development of the region and of the New Plymouth District.



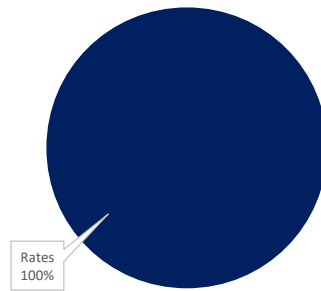
Our activities contribute to the Council's strategic vision of *Building a Lifestyle Capital – supporting a prosperous community – awhi mai awhi atu, tātou katoa*. To help ensure a vibrant economy, we support local businesses, encouraging a diverse range of industries that will grow jobs in the district. We aim to make it easy to do business here, to encourage economic growth and diversity and to build resilience and sustainability across our communities.



Economic Development

HOW WE PAY FOR IT

This service is funded by general rates. (Note that Venture Taranaki Trust also receives funding from central government and the South Taranaki and Stratford district councils.)



OUR PLANS

The New Plymouth District has an incredible amount to offer. However, in an economy dominated by dairying and energy we are susceptible to global factors beyond our control. To build economic resilience, we will continue to encourage economic diversity and attract talent to the region, and look at ways to further our connection with national and international markets.

We will also continue to support local business in the district and build the skilled labour force necessary to support our local industries. With a growing population and improved access to the district, we plan to capitalise on opportunities to attract relocation to the Taranaki region, building our labour force and supporting a more resilient economy. We also plan to capitalise on our reputation as a visitor destination.

We will do this in a considered and collaborative way through the implementation of the *Tapuae Roa: Make Way for Taranaki Strategy and Action Plan* as our economic development strategy.

CHANGES TO LEVELS OF SERVICE

Additional investment of \$350,000 per annum over the life of the LTP 2018-2028 to facilitate the implementation of the *Tapuae Roa: Make Way for Taranaki Regional Economic Development Strategy and Action Plan*.

EFFECTS ON THE COMMUNITY

The economic development service supports resilient and sustainable communities that enjoy prosperity and success. There are no significant negative effects identified from this activity.

WHAT YOU CAN EXPECT FROM US

Level of Service	Performance Measure	Latest Result 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	By 2027/28
We promote the New Plymouth District and the Taranaki region as a vibrant and desirable place to live, work and visit.	The number of major events attracted or retained.	12 major events	4 major events	4 major events	4 major events	4 major events
We facilitate, promote, and support sustainable business growth, investment and employment opportunities in Taranaki.	The level of annual investment in regional businesses (subject to central government policy).	\$1,515,399 across 36 transactions	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
	The annual percentage of clients satisfied with Venture Taranaki business support services.	93.7% satisfied or very satisfied	>85%	>85%	>85%	>85%
	The level of annual investment in the management capability of Taranaki's small and medium sized businesses.	\$376,085 across 276 transactions	\$240,000	\$240,000	\$240,000	\$240,000

Economic Development

FUNDING IMPACT STATEMENT

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual charges, rates penalties	3.27	3.81	3.85	3.99	4.19	4.28	4.39	4.50	4.67	4.64	4.75
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	3.27	3.81	3.85	3.99	4.19	4.28	4.39	4.50	4.67	4.64	4.75
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	(3.21)	(3.26)	(3.30)	(3.38)	(3.59)	(3.67)	(3.76)	(3.84)	(4.03)	(3.98)	(4.08)
Finance costs	-	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Internal charges and overheads applied	(0.06)	(0.47)	(0.49)	(0.51)	(0.52)	(0.53)	(0.55)	(0.55)	(0.57)	(0.59)	(0.59)
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	(3.26)	(3.75)	(3.81)	(3.90)	(4.13)	(4.22)	(4.33)	(4.42)	(4.61)	(4.58)	(4.69)
Surplus/(deficit) of operating funding (A - B)	-	0.06	0.05	0.09	0.06	0.05	0.06	0.09	0.06	0.06	0.06
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
(Increase)/decrease in reserves	-	(0.05)	(0.04)	(0.07)	(0.04)	(0.04)	(0.04)	(0.07)	(0.04)	(0.04)	(0.04)
(Increase)/decrease of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	-	(0.05)	(0.04)	(0.07)	(0.04)	(0.04)	(0.04)	(0.07)	(0.04)	(0.04)	(0.04)
Surplus/(deficit) of capital funding (C - D)	-	(0.06)	(0.05)	(0.09)	(0.06)	(0.05)	(0.06)	(0.09)	(0.06)	(0.06)	(0.06)
Funding balance (A - B) + (C - D)	-	-	-	-	-	-	-	-	-	-	-

Other information to be provided

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

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Depreciation and amortisation expense											
Depreciation expense	-	0.08	0.09	0.09	0.09	0.09	0.09	0.09	0.10	0.10	0.10
<i>less deferred/unfunded</i>	-	(0.03)	(0.05)	(0.02)	(0.04)	(0.06)	(0.05)	(0.02)	(0.06)	(0.06)	(0.06)
Net funding transferred to renewals reserves	-	0.05	0.04	0.07	0.04	0.04	0.04	0.07	0.04	0.04	0.04

Governance

WHAT WE DO

Support excellent governance and sound leadership.

- Council and committee meetings.
- Community board meetings.
- Local elections.
- Civic functions.

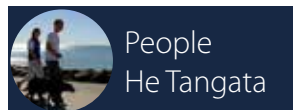
The governance service supports the Mayor, councillors and community board members to be effective, representative and accountable decision-makers. We facilitate and administer Council, committee and community board meetings and coordinate a range of civic functions. We also manage local authority elections.

We make sure that people have easy access to the information they need to be involved in Council decision-making.

WHY WE DO IT

Under the Local Government Act, 2002, elected members must represent their communities and make decisions in an open, transparent and accountable manner. The Council's governance service ensures the Council makes quality decisions in accordance with statutory requirements.

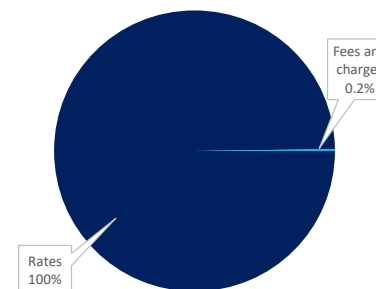
Robust decision-making processes that are aligned with our key strategic aims supports the Council's vision of *Building a Lifestyle Capital – putting people first*.



In particular, providing a democratic system of governance, through elections and consultation processes, *promotes putting people first - aroha ki te tangata*. This enables the Council to fulfil its vision for the district.

HOW WE PAY FOR IT

The service is funded through general rates.



OUR PLANS

Central Government reviews of legislation affecting local government are ongoing. Over the next 10 years, there will likely be Central Government directives on the design and function of local government. This may include legislative changes that directly affect the role and functions of the Council. We will actively monitor and respond to any changes in legislation that affects how the Council works and the services we provide.

Increased interest in the Council's decision making process means we will also be looking at new ways for our communities to be involved in Council decision-making.

It is also proposed to participate in the CouncilMARK programme starting in 2018 and subsequently every three years at an estimated cost of \$100,000 over the life of this LTP 2018-2028.

CHANGES TO LEVELS OF SERVICE

There are no proposed changes to levels of service.

EFFECTS ON THE COMMUNITY

The governance service supports an engaged community that participates in the democratic process. There are no negative effects associated with this service.

WHAT YOU CAN EXPECT FROM US

Level of Service	Performance Measure	Latest Result 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	By 2027/28
We effectively manage local elections in accordance with statutory requirements.	Elections and polls comply with the provisions of the Local Electoral Act 2001 and are without successful petitions for inquiry into the conduct of elections.	Achieved	*	Full compliance	*	Full compliance when applicable
Council processes comply with statutory requirements.	The Long-Term Plan, Annual Plan and Annual Report are each adopted within statutory timeframes.	Achieved	Full compliance	Full compliance	Full compliance	Full compliance
	Meeting agendas are available as specified by legislation.	Achieved	Full compliance	Full compliance	Full compliance	Full compliance

* No triennial elections in this year.

Governance

FUNDING IMPACT STATEMENT

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual charges, rates penalties	6.09	4.29	4.62	4.63	4.62	4.96	4.84	5.00	5.37	5.21	5.39
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	0.08	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	6.17	4.30	4.62	4.64	4.63	4.97	4.84	5.01	5.37	5.22	5.40
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	(2.58)	(2.04)	(2.29)	(2.25)	(2.17)	(2.46)	(2.28)	(2.38)	(2.68)	(2.49)	(2.62)
Finance costs	-	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Internal charges and overheads applied	(3.10)	(2.21)	(2.28)	(2.31)	(2.40)	(2.45)	(2.51)	(2.55)	(2.64)	(2.67)	(2.72)
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	(5.68)	(4.26)	(4.59)	(4.58)	(4.59)	(4.93)	(4.80)	(4.95)	(5.34)	(5.18)	(5.36)
Surplus/(deficit) of operating funding (A - B)	0.49	0.04	0.03	0.06	0.04	0.04	0.04	0.06	0.04	0.04	0.04
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	-	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
(Increase)/decrease in reserves	(0.49)	(0.04)	(0.03)	(0.05)	(0.03)	(0.03)	(0.03)	(0.05)	(0.03)	(0.03)	(0.03)
(Increase)/decrease of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(0.49)	(0.04)	(0.03)	(0.05)	(0.03)	(0.03)	(0.03)	(0.05)	(0.03)	(0.03)	(0.03)
Surplus/(deficit) of capital funding (C - D)	(0.49)	(0.04)	(0.03)	(0.06)	(0.04)	(0.04)	(0.04)	(0.06)	(0.04)	(0.04)	(0.04)
Funding balance (A - B) + (C - D)	-	-	-	-	-	-	-	-	-	-	-

Other information to be provided

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

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Depreciation and amortisation expense											
Depreciation expense	-	0.12	0.13	0.13	0.13	0.14	0.14	0.14	0.15	0.15	0.15
<i>less deferred/unfunded</i>	-	(0.08)	(0.10)	(0.08)	(0.10)	(0.12)	(0.11)	(0.09)	(0.13)	(0.12)	(0.13)
Net funding transferred to renewals reserves	-	0.04	0.03	0.05	0.03	0.03	0.03	0.05	0.03	0.03	0.03

Management of Investments and Funding

WHAT WE DO

Develop and protect key Council funding sources.

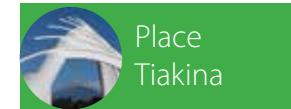
- Perpetual Investment Fund (PIF).
- Equity investments.
- Council-controlled organisation activity.
- Property leases and agreements.
- Forestry.

This service manages all Council-owned investments, all income not assigned to other Council activities and all of Council's borrowing. This includes:

- The Council's PIF, managed by the New Plymouth PIF Guardians Ltd.
- One hundred per cent ownership of Papa Rererangi i Puketapu Limited, the Council-Controlled Organisation that runs the New Plymouth Airport.
- Administration of 1,500 property leases and agreements.
- Production forestry on Council-owned land and three joint venture forestry investments.
- Minor equity investments in Civic Assurance Limited and the Local Government Funding Agency.

WHY WE DO IT

Managing Council investments and borrowing responsibly contributes directly to the Council's strategic vision of *Building a Lifestyle Capital – putting people first, caring for our place, and supporting a prosperous community.*



Developing and protecting funding in addition to income from rates contributes to the Council's capacity to develop the district.

HOW WE PAY FOR IT

This service is funded by returns from the Council's investments. The service generates a surplus which is used as an offset against general rates.

OUR PLANS

The Council has a robust Treasury Management Policy which dictates how we manage our borrowings. The majority of the Council's borrowing is at fixed interest rates. Currently, the average fixed-term rate is approximately five years, which ensures the Council's interest rate remains on or below six per cent for the first five years of the LTP.

The Council currently has external borrowings greater than \$110m. Based on planned future infrastructure investments, this will grow over the life of this Plan. However, this level of borrowing is moderate for a council the size of the New Plymouth District Council.

Management of Investments and Funding

Over the life of the plan, the Council-Controlled Organisation Papa Rererangi i Puketapu Limited will begin building the new terminal planned for the New Plymouth Airport. This is a major project, with risk similar to any major construction project, and will be funded by Council borrowing. We anticipate revenue from landing charges and other commercial revenue will be sufficient to service the loan debt.

Our intention is that the return from the PIF will be maintained at 3.3 per cent (plus Consumer Price Index inflation, plus management fees and costs) over the term of the plan.

WHAT YOU CAN EXPECT FROM US

Level of Service	Performance Measure	Latest Result 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	By 2027/28
We manage the Perpetual Investment Fund (PIF) to provide sustainable Council revenue.	The annual return from the PIF received by the Council.	5.9%*	3.3% + CPI + management fees and costs	3.3% + CPI + management fees and costs	3.3% + CPI + management fees and costs	3.3% + CPI + management fees and costs
We manage the Council's borrowing programme in accordance with the Liability Management Policy.	Debt levels comply with limits set by policy.	All measures met	All measures met	All measures met	All measures met	All measures met

* To align with the new target, this result has been changed from the Annual Report 2016/17.

CHANGES TO LEVELS OF SERVICE

There are no changes to existing levels of service over the life of the LTP 2018-2028.

EFFECTS ON THE COMMUNITY

The activities of this service ensure responsible management of Council investments and borrowings. There are no significant negative effects identified from this activity.

Management of Investments and Funding

FUNDING IMPACT STATEMENT

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual charges, rates penalties	(6.92)	(9.16)	(9.70)	(9.98)	(9.66)	(9.50)	(9.44)	(9.04)	(8.88)	(9.97)	(10.18)
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	4.15	2.25	2.36	2.52	2.69	2.82	3.10	3.23	3.44	3.75	4.09
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	11.25	11.76	12.52	12.80	13.09	13.54	13.79	14.11	14.42	14.66	14.87
Total operating funding (A)	8.48	4.86	5.19	5.35	6.11	6.86	7.46	8.30	8.99	8.43	8.78
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	(4.20)	(1.49)	(1.51)	(1.55)	(1.55)	(1.61)	(1.69)	(1.69)	(1.74)	(1.80)	(1.83)
Finance costs	(0.01)	(1.06)	(1.26)	(1.31)	(1.46)	(2.14)	(2.10)	(2.09)	(2.07)	(1.47)	(1.10)
Internal charges and overheads applied	(0.60)	(0.32)	(0.33)	(0.34)	(0.35)	(0.35)	(0.36)	(0.36)	(0.36)	(0.37)	(0.37)
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	(4.81)	(2.87)	(3.10)	(3.19)	(3.35)	(4.11)	(4.14)	(4.13)	(4.17)	(3.63)	(3.30)
Surplus/(deficit) of operating funding (A - B)	3.67	1.99	2.09	2.15	2.76	2.75	3.31	4.16	4.81	4.80	5.48
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(0.68)	(0.26)	(0.25)	(0.14)	(0.53)	(0.32)	(0.57)	(1.12)	(1.47)	(1.10)	(1.26)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(0.68)	(0.26)	(0.25)	(0.14)	(0.53)	(0.32)	(0.57)	(1.12)	(1.47)	(1.10)	(1.26)

Management of Investments and Funding

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	(0.05)	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
(Increase)/decrease in reserves	(2.94)	(1.73)	(1.84)	(2.02)	(2.23)	(2.43)	(2.74)	(3.04)	(3.35)	(3.71)	(4.22)
(Increase)/decrease of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(2.99)	(1.73)	(1.84)	(2.02)	(2.23)	(2.43)	(2.74)	(3.04)	(3.35)	(3.71)	(4.22)
Surplus/(deficit) of capital funding (C - D)	(3.67)	(1.99)	(2.09)	(2.15)	(2.76)	(2.75)	(3.31)	(4.16)	(4.81)	(4.80)	(5.48)
Funding balance (A - B) + (C - D)	-	-	-	-	-	-	-	-	-	-	-

Other information to be provided

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

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Depreciation and amortisation expense											
Depreciation expense	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.05	0.05	0.05
<i>less deferred/unfunded</i>	-	(0.01)	(0.02)	(0.01)	(0.02)	(0.03)	(0.02)	(0.01)	(0.03)	(0.03)	(0.03)
Net funding transferred to renewals reserves	0.03	0.02	0.02	0.03	0.02	0.02	0.02	0.03	0.02	0.02	0.02

Financial Information and Statements



Statement of Accounting Policies

REPORTING ENTITY

- a) New Plymouth District Council (the Council) is a territorial local authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002 (LG(R)A).
- b) The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself as a public benefit entity (PBE) for the purposes of New Zealand equivalents to Internal Financial Reporting Standards (NZIFRS).
- c) For the purposes of the plan, the Prospective Financial Statements (financial statements) cover all the activities of the Council as a separate legal entity. Group prospective financial statements have not been presented as the Council believes that parent statements are more relevant to users. The main purpose of these statements is to provide users with information about the core services that the Council intends to provide to ratepayers, the expected cost of those services and the consequent requirement for rate funding. The level of rate funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from, or further invests in, those subsidiaries and such effects are included in these parent prospective financial statements.
- d) The financial statements have been prepared in accordance with the requirements of Section 93 which includes the requirement to comply with Section 95 of the LGA and New Zealand Generally Accepted Accounting Practice (NZ GAAP). The Council is a public benefit entity (PBE) and complies with the Accounting Standards Tier 1 issued by the New Zealand Accounting Standards Board of the External Reporting Board pursuant to Section 24(1)(a) of the Financial Reporting Act 1993.
- e) The financial statements include a Prospective Statement of Comprehensive Revenue and Expense, a Prospective Statement of Changes in Net Assets/

Equity, a Prospective Statement of Financial Position and a Prospective Statement of Cash Flows.

- f) The financial statements of the Council are for the years ending 30 June. The prospective financial statements were authorised for issue by the Council on 27 June 2018. Whilst there is no current intent to update these prospective financial statements, the Council reserves the right to update this plan in the future.
- g) The financial information contained within these policies and documents is prospective financial information in terms of PBE FRS 42 Prospective Financial Statements. The Prospective Financial Statements comply with the Tier 1 PBE Standards (including PBE FRS 42 - Prospective Financial Statements).

The purpose for which it has been prepared is to enable the public to participate in the decision making processes as to the services to be provided by the Council over the financial years from 1 July 2018 to 30 June 2028, and to provide a broad accountability mechanism of the Council to the community.

- h) The information in the prospective financial statements is uncertain and the preparation requires the exercise of judgement. Actual financial results achieved for the period covered are likely to vary from the information presented, and the variations may be material. Events and circumstances may not occur as expected or may not have been predicted or Council may subsequently take actions that differ from the proposed courses of action on which the prospective financial statements are based.

The information contained within these prospective financial statements may not be suitable for use in another capacity.

MEASUREMENT BASE

The financial statements have been prepared on a historical cost basis, modified by revaluation of certain assets and liabilities. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest million dollars. Both the functional and presentation currency of the Council is New Zealand dollars.

SIGNIFICANT ACCOUNTING POLICIES

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

a) Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of goods and services tax, except for debtors and other receivables and creditors and other payables, which are presented on a GST inclusive basis. GST not recoverable as input tax is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows. Commitments and contingencies are disclosed exclusive of GST.

b) Allocation of overheads

Net overhead expenses after offset of external recoveries and appropriations have been allocated to Council services. A variety of methods have been used appropriate to the overhead concerned. Examples include, staff numbers, estimate of time, operating expenditure, and capital expenditure.

c) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Council, are classified as finance leases. Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values.

Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

An operating lease is a lease that does not transfer substantially all of the risks and rewards incidental to the ownership of the asset. Operating lease

payments are recognised as an expense in the Statement of Comprehensive Revenue and Expense on a straight-line basis over the lease term.

d) Grants, subsidies and donations

Grant expenditure: The Council makes grants to third parties, either on behalf of Government agencies (e.g. creative arts) or to further the community's needs where the Council believes it is within its mandate to deliver on community outcomes. In all cases an operative contract is drawn up with the respective third party for accountability. Grant expenditure is recognised when the contract is signed and the monies paid.

Grants, subsidies and donation revenue: The Council receives these under agreements with other parties, or other parties give monies to the Council for a specific purpose or for general purposes. Recognition of grants and subsidies under agreement is noted under revenue following. Donations are recognised when received.

e) Revenue recognition

General Principles

- Revenue is measured at the fair value of consideration received or receivable.
- General revenue is recognised at the time of invoicing, performance of service or receipt of application of service or licence and by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.
- Assets and revenues arising from exchange and non-exchange transactions are recognised in accordance with the requirements of PBE IPSAS 9: Revenue From Exchange Transactions or PBE IPSAS 23: Revenue From Non-Exchange Transactions.

Revenue from Exchange Transactions

- Interest earned is recognised on an accrual basis using the effective interest rate method.

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- Dividends are recognised when received or the right to receive payment has been established.
- Water billing revenue is recognised on an accrual basis. Unbilled sales, as a result of unread meters at year end, are accrued on an average usage basis.
- Revenue from the sale of goods is recognised when a product is sold to the customer.

Revenue from Non-exchange Transactions

- Rating revenue is recognised when assessments are issued or penalties incurred.
- Government grants are recognised when eligibility has been established by the granting agency.
- New Zealand Transport Agency roading subsidies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.
- Vested assets are recognised at fair value on the vesting of the assets.
- Development and financial contributions are recognised when the service is provided or the event that gives rise to a requirement for a development or financial contribution under the legislation occurs.
- Traffic and parking infringements are recognised when the infringement is issued.
- Sponsorships and donation revenues are recognised when received.
- Animal control revenues are recognised when invoiced.

f) Financial assets

The Council classifies its financial assets into the following four categories:

1. Financial assets at fair value through surplus or deficit designated upon initial recognition.
2. Loans and receivables.

3. Assets held to maturity.
4. Available for sale.

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

The four categories of financial assets are:

1. *Financial assets at fair value through surplus or deficit designated upon initial recognition*

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

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the Statement of Comprehensive Revenue and Expense.

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

The Perpetual Investment Fund is independently valued annually.

2. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or de-recognised are recognised in the Statement of Comprehensive Revenue and Expense.

3. Assets held to maturity

Assets held to maturity are assets with fixed or determinable payments and fixed maturities that the Council has the positive intention and ability to hold to maturity.

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

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

4. Available for sale

Financial assets available for sale are those that are designated into this category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within 12 months of the balance date or if the debt instrument is not expected to be realised within 12 months of the balance date. The Council includes in this category:

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

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the Statement of Comprehensive Revenue and Expense. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the Statement of Comprehensive Revenue and Expense.

g) Impairment of financial assets

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

Financial assets carried at amortised cost

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

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

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

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to, and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying

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amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

Available-for-sale investments

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

h) Derivative financial instruments

The Council uses interest rate swaps to mitigate its risk associated with interest rate fluctuations. These derivatives are initially recognised at fair value on the date the contract is entered into and subsequently remeasured to fair value each quarter. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Derivatives that are settled within 12 months are treated as current.

Interest rate swaps are entered into with the objective of reducing the risk of rising interest rates. Any gains or losses arising from the changes in fair value of derivatives are recognised in the surplus or deficit for the year.

The net difference paid or received on an interest rate swap is recognised as a part of the total finance revenue or finance cost over the period of the contract. The Council does not hold or issue derivative financial instruments for trading purposes.

i) Trade and other receivables

Receivables are recorded at fair value less any provision for impairment. The Council does not provide for any impairment on rates receivable as it has various powers under the LG(R)A to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates

that remain unpaid four months after the due date for payment. Provision has been made in respect of all other receivables where there is objective evidence that the Council will not be able to collect the amounts as per the original terms of the receivables.

j) Non-current assets held for sale

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

k) Property, plant and equipment (PPE)

Property, plant and equipment are included at their valuation as at 30 June 2016 with subsequent additions recorded at cost. All PPE were valued by Council staff except where specifically identified. Independent reviews were carried out as at 30 June 2016, to confirm that the methodology used is in accordance with NZ IAS 16, and conforms to accepted valuation methods. The next planned revaluation is for 30 June 2019 and will be in accordance with PBE IPSAS 17.

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

Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

- Infrastructural assets are fixed utility systems providing continuing service to the community, e.g. roads, water or sewerage systems. The

infrastructural assets are valued at depreciated replacement cost as at 30 June 2016 and will be revalued on the same basis three yearly thereafter. Additions in the intervening years are included at cost.

Roads include derived values for land not held on title (road reserve). The average value of the road reserve is the current average land value calculated for each government roll number. The following factors have been applied:

- Unformed roads: 80 per cent of average value.
- Formed roads (urban): 70 per cent of average value.
- Formed roads (rural): 50 per cent of average value.
- Operational assets are tangible assets that are used as part of the normal operations of the Council.
- Land and buildings have been valued at fair value as at 30 June 2016 and will be revalued on the same basis three yearly thereafter by a registered valuer.
- Restricted assets are assets which cannot be disposed of due to legal or other restrictions, and that provide a benefit or service to the community.
- The Puke Ariki museum collection and the Govett-Brewster Art Gallery collection was last valued at fair value as at 30 June 2017 and will be valued by suitably qualified experts on a three yearly basis thereafter.
- The Puke Ariki book collection was last valued as at 30 June 2017 and will be valued by a suitable expert on a three yearly basis thereafter. The heritage book collection has been valued at replacement cost and the general in use collection has been valued at depreciated replacement cost.
- Restricted land was valued at fair value as at 30 June 2016 and will be valued on the same basis three yearly thereafter by a registered valuer.
- Work in progress has been valued at cost less impairment and is not depreciated.

Additions

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

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

Disposals

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

Subsequent costs

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

Depreciation

- *Operational assets* are depreciated on a straight-line basis on the following rates:
 - Buildings: 1% to 5% (20 to 100 years).
 - Plant and vehicles: 5% to 33% (3 to 20 years).
 - Furniture, fittings and equipment: 10% to 33% (3 to 10 years).
 - The Puke Ariki library heritage collection is not depreciated as it is Council policy to maintain the collection in its current state. The general in-use collection is depreciated on a straight line basis over 2-15 years.

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

Land is not depreciated.

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

Asset class	Value
Roads	5-100
Laboratory	8-30
Solid Waste	35-100
Stormwater	50-140
Flood Protection	50-200
Water	10-120
Wastewater	10-140

l) Intangible assets

Research, training, maintenance and development costs are expensed.

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

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

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

m) Biological assets

Forestry is valued annually by an external forestry consultant at fair value less estimated point of sale costs in accordance with PBE IPSAS 27. Fair value is determined by reference to market value, primarily determined by export prices. Any gains or losses on revaluation, including impairment, are taken direct to the Statement of Comprehensive Revenue and Expense.

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

n) Impairment of PPE and intangibles

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

o) Accounting for revaluations

The Council accounts for revaluations of PPE on a class of asset basis. The results of revaluating are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Revenue and Expense. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Revenue and Expense will be recognised first in the Statement of Comprehensive Revenue and Expense up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

p) Investments in other entities

The Council invests in other entities to further its service delivery and/or to maintain an appropriate degree of independence from political processes.

These do not include investments covered under financial assets or the Council's PIF.

The Council's investment in the following subsidiaries is carried at cost in the prospective financial statements:

- New Plymouth PIF Guardians (NPG): 100 per cent owned and incorporated in New Zealand.
- Venture Taranaki Trust: 100 per cent owned.
- Papa Rererangi i Puketapu Limited: 100 per cent owned.

NPG, Venture Taranaki Trust, TLC and Papa Rererangi i Puketapu Limited are Council-controlled Organisations as defined in the Local Government Act.

The Council's investment in the following subsidiary has been classified as a financial asset at fair value through surplus or deficit:

- Tasmanian Land Company Limited (TLC): 100 per cent owned and incorporated in Australia.

The Tasmanian Land Company Limited (TLC) was incorporated on 5 August 2014.

In April 2015, TLC acquired all the shares in TFL. The transaction was a business restructure between entities under the control of the Council and was accounted for as a continuation of the existing TFL Group.

The operations of TLC group were sold in March 2016. As at 30 June 2017, TLC remained a Council-controlled organisation and held the cash from the sale of the TLC subsidiaries.

During 2016/17 the majority of the cash has been transferred to Mercer, who now manage the PIF investment fund.

Any equity investment by the Council is recorded at cost, or share of net equity based on current financial statements (joint ventures) with these investments being restated annually in accordance with financial reporting standards. In respect to the plan, these investments are stated at 30 June 2017 position.

In addition the Council is deemed to control, separately or jointly with others, Venture Taranaki Trust (VTT). This is an independent trust set up in conjunction with the Crown and other local authorities in Taranaki for the furtherance of tourism and economic development opportunities. The Council has no equity investment in VTT but accounts for its share of net assets annually in accordance with financial reporting standards. In respect to the plan, these investments are not included in the Council's Statement of Financial Position.

q) Income tax

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

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

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

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

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

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures except where the joint venture can control the reversal of the temporary

Statement of Accounting Policies

difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

r) Trade and other payables

Payables are valued at fair value.

s) Provisions

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

t) Employee benefits

Provision is made in respect of the Council's liability for annual leave which has been calculated on an actual entitlement basis at current rates of pay. Long-term entitlements (long service and retirement gratuities) have been calculated on present value at current rates of pay. Accumulated sick leave carried forward, which is anticipated to be taken in future periods, is not considered material for inclusion.

u) Landfill post-closure provision

The landfill post-closure provision is measured based on the best estimate at a discount rate in accordance with financial reporting standard PBE IPSAS 19: Provisions, Contingent Liabilities and Contingent Assets.

The on-going annual charge to the Statement of Comprehensive Revenue and Expense arising from the landfill comprises depreciation of the landfill asset, and amortisation of the post-closure liability.

v) Interest bearing liabilities and borrowing costs

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement. Gains or losses are recognised in the Statement of Comprehensive Revenue and Expense when liabilities are derecognised as well as through the amortisation process.

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

w) Equity

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

- Restricted reserves:
 - Trust and bequests.
 - Special funds.
- Council-created reserves.
- Asset revaluation reserves.
- Retained earnings.

x) Reserves

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

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

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

These comprise:

- Operating reserves to fund some short-term operations.
- Development funds include development and financial contributions held until applied against the capital works for which those contributions were charged.
- Renewal and disaster funds to meet future replacement costs of assets.

Asset revaluation reserves. These arise on revaluation of the Council's assets and are an accounting entry only - they are not represented by funds.

Retained earnings. This is the accumulated net worth of the Council not held in reserves and represents the community's equity in the Council.

y) Foreign currency

Transactions in foreign currencies are initially recorded in NZ\$ by applying the exchange rates on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into NZ\$ at the rate of exchange on the Statement of Financial Position date.

z) Cash and cash equivalents

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

aa) Annual Plan figures

The A/Plan 2017/18 figures are those approved by the Council on adoption of the Annual Plan 2017/18.

ab) Emissions Trading Scheme (ETS)

Forestry. The Council does not propose to carry out any deforestation initiatives or activities during the life of this plan. The Council does not consider it has a contingent liability under this part of the ETS.

Solid Waste Disposal. The Council, as operator of the Colson Road landfill, is required to surrender New Zealand and compliant European carbon units (Units) for estimated emissions under the ETS while the landfill continues to operate. The Council has purchased enough units to meet its obligations under current law for the next year.

ac) Critical accounting estimates and assumptions

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

CHANGES IN ACCOUNTING POLICIES

There has been no change in accounting policies since adoption of the Annual Report 2016/17.

Balancing the Budget

The Local Government Act 2002 requires that where the Council has resolved, under Section 100(2), not to balance its operating budget in any year covered by this plan, the Council must include a statement of the reasons for the resolution and any other matters taken into account and the implications of the decision.

Renewals/depreciation funding

Over the LTP period the budgets have been balanced, but depreciation is not fully funded on long-life assets. The fundamental purpose of accounting for depreciation is to reflect the cost of use of fixed assets in each financial year, measured by the amount of economic benefit consumed.

Depreciation charges do not always provide a reasonable model for funding asset renewal. This is particularly relevant to assets which have long useful lives and are “intergenerational” in nature. Intergenerational assets are infrastructure assets with long lives (lifespan of 50 years to 200 years) and make up approximately 80 per cent of total asset replacement cost values across the range of Council activities. A ‘whole-of-life’ (or life-cycle) approach to asset appraisal, intergenerational benefit and funding perspectives has been adopted to support fiscal policy and enable the achievement of sustainable asset investments.

For the LTP, funding for renewal of infrastructural assets has been determined by using a Long Range Average Renewals Approach (LRARA), whereby forecast renewals for the next 10 years are averaged to an annual calculation. Correspondingly, the difference between depreciation expense and LRARA is regarded as unfunded depreciation.

Risks associated with the LTP and LRARA calculations are considered to be low due to a combination of mitigations, namely:

- A positive net reserve position has been adopted and maintained to ensure that sufficient resources are available for renewals over this plan period (renewal reserve balance is maintained at approximately one year’s renewal capex).
- Our renewal profile (excluding inflation) indicates consistent but manageable increases over the next 30 years.

- The continuation of asset inspection and ongoing maintenance programmes will enable the update and review of asset renewal profiles with confidence levels factored in. This will help to improve and support management strategies and practices associated with planning for renewals.
- While it is accepted that such forecasts have a degree of uncertainty, assumptions and analysis are based upon the best information currently available to the Council. Even with the progress made over the last few years, it is expected that the Council will improve its practice further moving forward with ongoing monitoring and asset assessments.

Depreciation on roading assets is further unfunded by \$3.84m to \$5.13m per year (\$3.80m in 2017/18) being the estimated financial assistance that is expected to be received from the New Zealand Transport Agency as contribution towards the renewal of roading assets.

The level of deferred/unfunded depreciation is shown in the Council Services section.

Prospective Financial Statements

Prospective Statement of Comprehensive Revenue and Expense

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
OPERATING REVENUE											
Revenue from exchange transactions											
Finance revenue	2.27	2.27	2.70	2.69	2.72	2.94	2.96	3.06	3.16	3.18	3.18
Investment revenue	13.50	14.60	15.02	14.83	15.16	15.76	16.08	16.69	17.00	17.64	17.97
Other revenue	28.60	26.62	27.67	28.63	28.86	30.05	31.31	31.64	32.58	33.88	34.56
Revenue from non-exchange transactions											
Rates	84.45	89.90	94.35	99.00	103.97	109.10	112.79	116.45	120.08	121.94	124.88
Subsidies and grants	10.39	12.08	12.75	15.05	13.19	11.54	12.92	11.80	13.82	12.28	12.48
Development and financial contributions	1.02	2.11	3.33	3.74	3.97	4.24	4.34	4.41	4.38	4.37	4.37
Vested assets	3.17	4.04	4.12	4.21	4.30	4.39	4.50	4.60	4.71	4.83	4.95
Fines and levies	2.85	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48
Total operating revenue	146.25	153.10	161.42	169.62	173.64	179.51	186.37	190.13	197.21	199.60	203.86
OPERATING EXPENDITURE											
Personnel costs	38.26	42.17	43.40	44.41	45.56	46.86	48.33	49.63	51.00	52.12	53.22
Depreciation and amortisation expenses	31.48	34.18	37.44	38.54	38.65	41.51	40.99	41.40	44.46	44.69	45.08
Finance costs	6.91	7.66	8.40	9.51	10.91	13.25	13.50	13.62	13.40	13.27	13.59
Other expenses	58.99	60.32	66.68	65.45	65.35	66.84	69.12	70.65	73.11	75.16	76.66
Total operating expenditure	135.64	144.34	155.93	157.91	160.46	168.46	171.93	175.29	181.98	185.24	188.55
Surplus/(deficit) before taxation	10.61	8.76	5.50	11.71	13.18	11.05	14.43	14.83	15.23	14.35	15.31
Taxation refund/(expense)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) after taxation	10.61	8.76	5.50	11.71	13.18	11.05	14.43	14.83	15.23	14.35	15.31
<i>Comprising surplus/(deficit) attributable to:</i>											
Parent interest	10.61	8.76	5.50	11.71	13.18	11.05	14.43	14.83	15.23	14.35	15.31

Prospective Statement of Comprehensive Revenue and Expense

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
OTHER COMPREHENSIVE REVENUE AND EXPENSE											
Gain/(loss) on property, plant and equipment and equipment revaluations	-	145.14	-	-	148.42	-	-	178.37	-	-	217.25
Total other comprehensive revenue and expense	-	145.14	-	-	148.42	-	-	178.37	-	-	217.25
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	10.61	153.90	5.50	11.71	161.60	11.05	14.43	193.20	15.23	14.35	232.56
<i>Total comprehensive revenue and expense attributable to:</i>											
New Plymouth District Council	10.61	153.90	5.50	11.71	161.60	11.05	14.43	193.20	15.23	14.35	232.56

Prospective Statement of Changes in Equity

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
EQUITY AT THE BEGINNING OF THE YEAR	2,334.24	2,380.05	2,533.95	2,539.45	2,551.16	2,712.76	2,723.81	2,738.24	2,931.44	2,946.67	2,961.02
Net surplus/(deficit) from continued operations	10.61	8.76	5.50	11.71	13.18	11.05	14.43	14.83	15.23	14.35	15.31
Other comprehensive revenue and expense		145.14	-	-	148.42	-	-	178.37	-	-	217.25
Total comprehensive revenue and expense	10.61	153.90	5.50	11.71	161.60	11.05	14.43	193.20	15.23	14.35	232.56
Equity adjustment		-	-	-	-	-	-	-	-	-	-
EQUITY AT THE END OF THE YEAR	2,344.85	2,533.95	2,539.45	2,551.16	2,712.76	2,723.81	2,738.24	2,931.44	2,946.67	2,961.02	3,193.59
<i>Total comprehensive revenue and expense attributable to:</i>											
New Plymouth District Council	10.61	153.90	5.50	11.71	161.60	11.05	14.43	193.20	15.23	14.35	232.56

Prospective Statement of Financial Position

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
CURRENT ASSETS											
Cash and cash equivalents	0.94	2.45	3.20	3.21	3.20	4.44	5.47	4.22	3.34	5.45	4.23
Trade and other receivables	18.83	14.21	14.91	15.59	16.28	16.99	17.57	18.14	18.70	19.26	19.93
Prepayments	-	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84
Inventory	0.09	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Intangible assets	-	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62
Other financial assets	37.20	311.26	316.88	321.51	328.72	336.30	343.96	354.53	366.69	375.77	386.97
Non-current assets held for sale	1.41	1.33	1.26	1.29	1.48	0.30	0.31	0.33	0.40	0.35	0.35
Total current assets	58.47	330.85	337.86	343.19	351.28	359.63	368.90	378.82	390.73	402.42	413.08
NON-CURRENT ASSETS											
Other financial assets	15.34	26.05	25.30	24.55	23.80	23.05	22.30	21.55	19.30	16.55	13.80
Investments in Council-controlled organisations	291.18	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Intangible assets	3.04	5.43	5.67	5.13	4.57	3.96	4.09	4.49	4.45	4.39	4.17
Forestry assets	2.36	3.45	3.57	3.70	3.83	3.96	4.10	4.25	4.39	4.55	4.71
Derivative financial assets	0.08	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64
Property, plant and equipment	2,145.20	2,340.53	2,355.54	2,391.91	2,569.77	2,579.63	2,589.72	2,773.57	2,771.67	2,780.36	3,012.14
Total non-current assets	2,457.20	2,386.09	2,400.71	2,435.92	2,612.60	2,621.23	2,630.84	2,814.48	2,810.45	2,816.48	3,045.45
TOTAL ASSETS	2,515.67	2,716.94	2,738.57	2,779.11	2,963.88	2,980.86	2,999.74	3,193.30	3,201.18	3,218.91	3,458.53
CURRENT LIABILITIES											
Trade and other payables	18.18	12.26	12.90	13.50	14.13	14.76	15.27	15.77	16.26	16.73	17.33
Revenue in advance	-	3.62	3.62	3.62	3.62	3.62	3.62	3.62	3.62	3.62	3.62
Public debt and other loans	39.36	9.06	11.40	12.99	14.28	15.18	16.09	16.72	17.91	18.65	17.75
Employee entitlements	-	3.48	3.54	3.61	3.68	3.75	3.83	3.90	3.98	4.06	4.13
Other provisions	-	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79
Derivative financial liabilities	-	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Total current liabilities	57.54	29.42	32.45	34.72	36.71	38.31	39.80	41.01	42.76	44.05	43.83

Prospective Statement of Financial Position

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
NON-CURRENT LIABILITIES											
Employee entitlements	0.77	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63
Derivative financial liabilities	8.58	5.91	5.91	5.91	5.91	5.91	5.91	5.91	5.91	5.91	5.91
Other provisions	1.33	1.67	1.73	1.75	1.78	1.81	1.84	1.87	1.91	1.95	1.99
Public debt and other loans	94.03	145.37	158.41	184.94	206.10	210.39	213.31	212.44	203.30	205.34	212.58
Total non-current liabilities	104.71	153.58	166.67	193.23	214.41	218.74	221.69	220.86	211.75	213.83	221.11
TOTAL LIABILITIES	162.25	182.99	199.13	227.95	251.12	257.05	261.50	261.86	254.51	257.89	264.94
PUBLIC EQUITY											
Special funds/reserves	80.96	74.65	76.07	70.50	76.28	83.70	91.31	99.30	109.19	118.76	126.79
Retained earnings	1,509.12	1,549.20	1,553.27	1,570.56	1,577.95	1,581.58	1,588.41	1,595.25	1,600.59	1,605.37	1,612.65
Asset revaluation reserve	763.34	910.11	910.11	910.11	1,058.53	1,058.53	1,058.53	1,236.90	1,236.90	1,236.90	1,454.15
Total public equity	2,353.42	2,533.95	2,539.45	2,551.16	2,712.76	2,723.81	2,738.24	2,931.44	2,946.67	2,961.02	3,193.59
TOTAL EQUITY AND LIABILITIES	2,515.67	2,716.94	2,738.57	2,779.11	2,963.88	2,980.86	2,999.74	3,193.30	3,201.18	3,218.91	3,458.53

Prospective Cash Flow Statement

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
CASH FLOWS FROM OPERATING ACTIVITIES											
Receipts from rates revenue	84.45	89.90	94.35	99.00	103.97	109.10	112.79	116.45	120.08	121.94	124.88
Interest received	1.83	2.27	2.70	2.69	2.72	2.94	2.96	3.06	3.16	3.18	3.18
Other revenue received	51.40	42.30	45.23	48.90	47.50	47.31	50.04	49.33	52.26	52.01	52.89
Payments to suppliers and employees	(98.24)	(102.54)	(110.14)	(109.96)	(111.01)	(113.81)	(117.55)	(120.38)	(124.23)	(127.40)	(130.00)
Interest paid	(6.91)	(7.66)	(8.40)	(9.51)	(10.91)	(13.25)	(13.50)	(13.62)	(13.40)	(13.27)	(13.59)
Net cash flows from operating activities	32.53	24.25	23.74	31.11	32.27	32.30	34.74	34.83	37.87	36.46	37.36
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts from sale of property, plant and equipment	0.25	1.47	1.33	1.26	1.29	1.48	0.30	0.31	0.33	0.40	0.35
Receipts from sale of other financial assets	-	9.83	10.15	10.95	11.20	11.43	11.66	11.88	12.09	13.80	14.52
Purchase of property, plant and equipment	(43.58)	(61.26)	(49.84)	(71.45)	(64.71)	(46.67)	(47.02)	(43.02)	(38.22)	(48.84)	(54.78)
Purchase of other financial assets	-	(15.00)	-	-	(2.50)	(2.50)	(2.50)	(5.00)	(5.00)	(2.50)	(5.00)
Net cash flows from investing activities	(43.33)	(64.97)	(38.36)	(59.24)	(54.72)	(36.25)	(37.55)	(35.83)	(30.80)	(37.14)	(44.92)
CASH FLOWS FROM FINANCING ACTIVITIES											
Proceeds from borrowings	12.66	50.70	24.43	39.52	35.44	19.47	19.02	15.84	8.77	20.70	24.99
Repayment of borrowings	(4.42)	(16.92)	(9.06)	(11.40)	(12.99)	(14.28)	(15.18)	(16.09)	(16.72)	(17.91)	(18.65)
Net cash flows from financing activities	8.24	33.78	15.37	28.13	22.45	5.19	3.84	(0.25)	(7.95)	2.78	6.34
Net increase/(decrease) in cash and cash equivalents	(2.56)	(6.94)	0.75	0.00	(0.01)	1.24	1.03	(1.24)	(0.88)	2.11	(1.22)
Cash and cash equivalents at the beginning of the year	3.50	9.39	2.45	3.20	3.21	3.20	4.44	5.47	4.22	3.34	5.45
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	0.94	2.45	3.20	3.21	3.20	4.44	5.47	4.22	3.34	5.45	4.23

Notes to the Financial Statements

1. Revenue from targeted rates for metered water supply

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Targeted rates for metered water supply	3.87	3.93	4.18	4.49	4.84	5.16	5.40	5.59	5.72	5.97	6.39

2. Group of activities combined depreciation and amortisation expense

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Parks and Open Spaces	2.38	2.80	3.06	3.14	3.14	3.37	3.32	3.35	3.60	3.62	3.65
Transportation	10.47	11.72	12.81	13.17	13.19	14.14	13.95	14.08	15.13	15.20	15.33
Stormwater Management	1.66	2.47	2.70	2.78	2.78	2.98	2.94	2.96	3.18	3.20	3.22
Flood Protection and Control Works	0.11	0.12	0.13	0.14	0.14	0.15	0.14	0.15	0.16	0.16	0.16
Waste Management and Minimisation	0.28	0.95	1.03	1.06	1.06	1.14	1.13	1.14	1.22	1.22	1.23
Water Supply	4.06	4.41	4.87	5.06	5.13	5.56	5.50	5.56	5.95	5.97	6.02
Wastewater Treatment	5.65	5.56	6.10	6.27	6.28	6.74	6.65	6.72	7.22	7.25	7.32
Emergency Management and Business Continuance	-	0.05	0.05	0.05	0.05	0.06	0.06	0.06	0.06	0.06	0.06
Community Partnerships	0.19	0.29	0.32	0.33	0.33	0.35	0.35	0.35	0.38	0.38	0.38
Govett-Brewster Art Gallery/Len Lye Centre	0.04	0.55	0.61	0.62	0.62	0.67	0.66	0.66	0.71	0.72	0.72
Puke Ariki and Community Libraries	0.81	1.62	1.77	1.82	1.82	1.95	1.93	1.94	2.09	2.10	2.11
Venues and Events	0.09	1.78	1.95	2.00	2.00	2.15	2.11	2.13	2.29	2.30	2.32
Customer and Regulatory Solutions	0.18	0.38	0.41	0.42	0.42	0.45	0.45	0.45	0.48	0.49	0.49
Economic Development	-	0.08	0.09	0.09	0.09	0.09	0.09	0.09	0.10	0.10	0.10
Governance	-	0.12	0.13	0.13	0.13	0.14	0.14	0.14	0.15	0.15	0.15
Management of Investments and Funding	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.05	0.05	0.05
Other	5.52	1.25	1.38	1.42	1.42	1.53	1.53	1.57	1.70	1.73	1.77
Total depreciation and amortisation expense	31.47	34.19	37.45	38.54	38.64	41.51	40.99	41.39	44.47	44.70	45.08

Statement of Reserve Funds

The Council maintains reserve funds as a sub-part of its equity – refer to statement of accounting policies earlier in this section. Schedule 10 Clause 16 requires certain information to be included pertaining to these reserve funds. The following presents a summary of reserve funds over the period of this plan and is followed by a breakdown into the various reserve fund types giving a brief explanation of the 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 the Council's expected reserve funds over the life of this plan.

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Opening balances	84.84	85.52	74.65	76.07	70.50	76.28	83.70	91.31	99.30	109.19	118.76
Deposits to reserves	22.01	24.21	24.97	26.11	27.94	29.14	28.70	28.59	30.03	30.76	31.54
Withdrawals from reserves	(25.90)	(35.08)	(23.55)	(31.68)	(22.16)	(21.72)	(21.09)	(20.60)	(20.14)	(21.19)	(23.51)
Closing balances	80.95	74.65	76.07	70.50	76.28	83.70	91.31	99.30	109.19	118.76	126.79

Note. Opening balances for Budget 2018/19 have been adjusted to reflect the actual opening position at 1 July 2017 and impacts of carry-forwards from 2017/18.

- 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.

Opening balances	9.77	11.88	11.42	10.66	10.23	10.00	9.72	9.47	9.22	8.92	8.65
Deposits to reserves	0.49	0.00	(0.26)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Withdrawals from reserves	(0.07)	(0.46)	(0.50)	(0.43)	(0.23)	(0.28)	(0.25)	(0.25)	(0.30)	(0.27)	(0.27)
Closing balances	10.19	11.42	10.66	10.23	10.00	9.72	9.47	9.22	8.92	8.65	8.38

Statement of Reserve Funds

- 2. Restricted reserves, trust and bequest funds.** These are funds subject to specific conditions accepted as binding by the Council, such as bequests or operations in trust under specific Acts, and which may not be revised by the Council without reference to the courts or third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. These include the Waitara Harbour Trust, heritage funds, proceeds from sale of Junction Road leases, 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.

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Opening balances	32.77	25.71	16.15	17.84	18.50	22.63	27.01	30.65	34.57	38.87	43.51
Deposits to reserves	1.17	3.49	3.71	4.25	4.36	4.61	3.88	4.16	4.55	4.89	5.44
Withdrawals from reserves	(6.56)	(13.05)	(2.02)	(3.59)	(0.23)	(0.23)	(0.24)	(0.24)	(0.25)	(0.25)	(0.26)
Closing balances	27.38	16.15	17.84	18.50	22.63	27.01	30.65	34.57	38.87	43.51	48.69

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

Opening balances	2.28	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08
Deposits to reserves	1.87	-	-	-	-	-	-	-	-	-	-
Withdrawals from reserves	0.47	-	-	-	-	-	-	-	-	-	-
Closing balances	4.62	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08

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

Opening balances	40.02	46.85	45.00	43.03	35.07	33.95	33.87	34.75	36.23	38.57	40.25
Deposits to reserves	18.48	19.73	19.07	19.71	20.58	21.13	21.48	21.59	21.94	22.35	22.61
Withdrawals from reserves	(19.74)	(21.58)	(21.03)	(27.67)	(21.70)	(21.21)	(20.60)	(20.11)	(19.60)	(20.67)	(22.97)
Closing balances	38.76	45.00	43.03	35.07	33.95	33.87	34.75	36.23	38.57	40.25	39.89

Disclosure Statement

for the period commencing 1 July 2018

WHAT IS THE PURPOSE OF THIS STATEMENT?

The purpose of this statement is to disclose the Council'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 LTP in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark

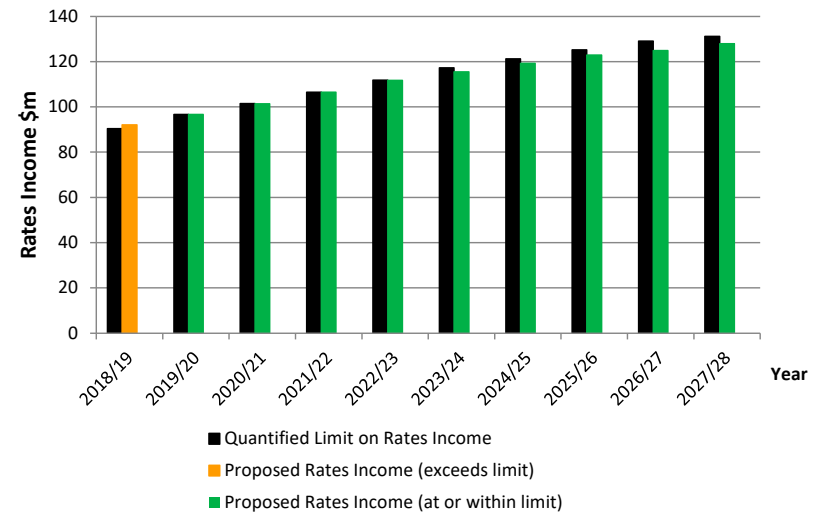
The Council meets the rates affordability benchmark if:

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

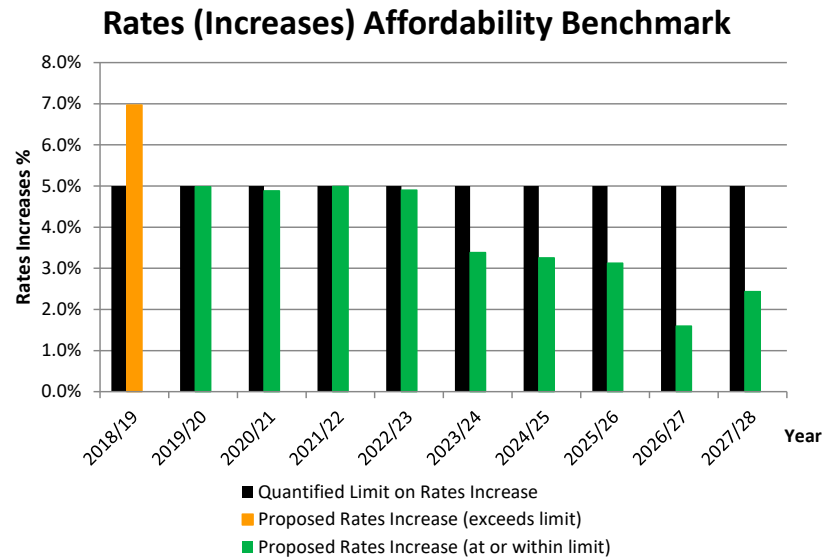
The following graph compares the Council's planned rates with a quantified limit on rates contained in the Financial Strategy included in this LTP. The quantified limit is set at the prior year rates income plus five per cent.

Rates (Income) Affordability Benchmark



Rates (increases) affordability

The following graph compares the Council’s planned rates increases with a quantified limit on rates increases contained in the Financial Strategy included in this LTP. The quantified limit is set at the prior year rates income plus five per cent.



Note. The quantified limit per the Financial Strategy is a percentage increase set at five per cent in any one year.

The proposed rates percentage increase for years two to 10 is the percentage increase with the base being the prior year proposed rates. In 2018/19, year one, the proposed rates increase is the percentage increase with the base being the actual rates set in 2017/18.

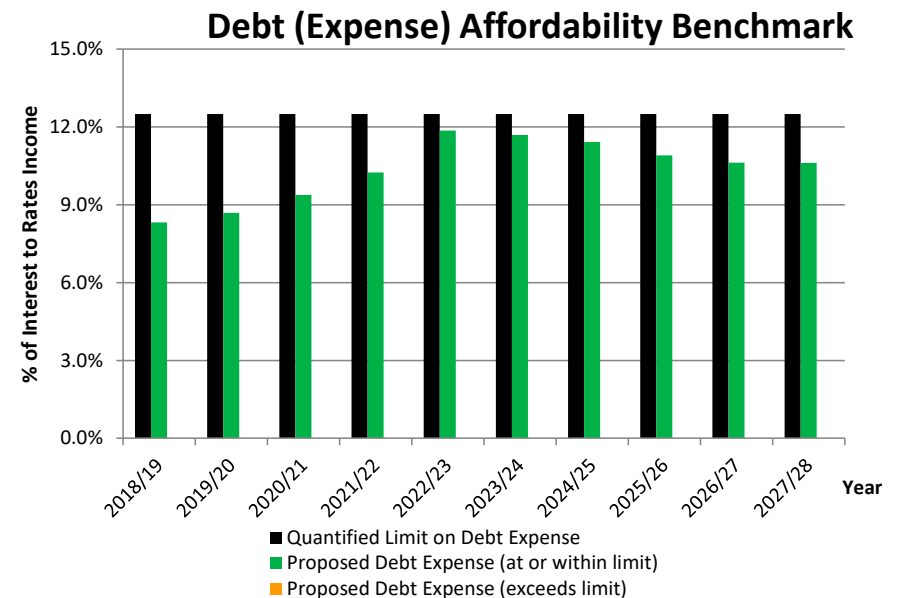
Debt affordability benchmark

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing:

- interest expenses on external borrowings is less than each quantified limit on borrowing; and
- external debt is less than each quantified limit on borrowing.

Debt (expense) affordability

The following graph compares the Councils planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this LTP. The quantified limit per the Financial Strategy is for interest expense on external borrowings to be no more than 12.5 per cent of rates income.

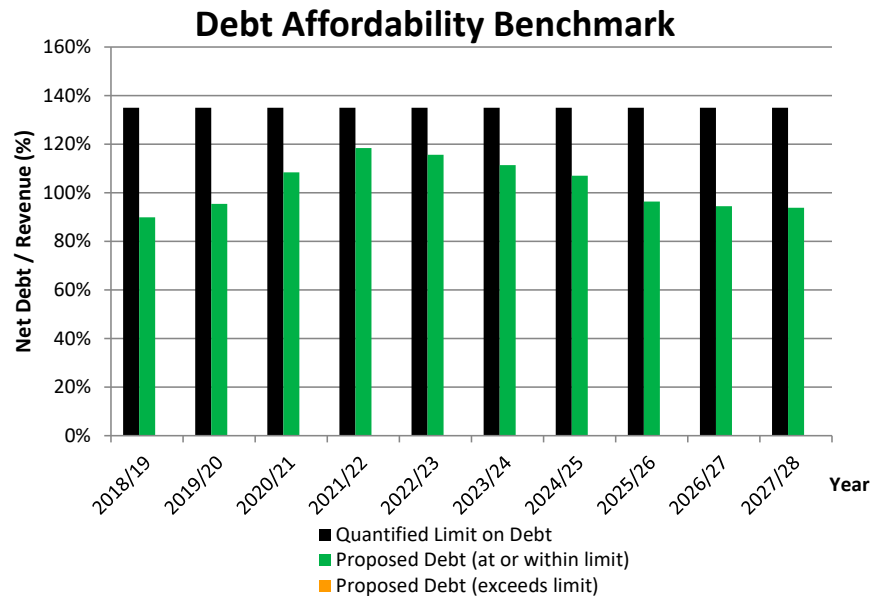


Disclosure Statement

Debt affordability

The Council meets the debt affordability benchmark if its planned borrowing is within the quantified limit on borrowing.

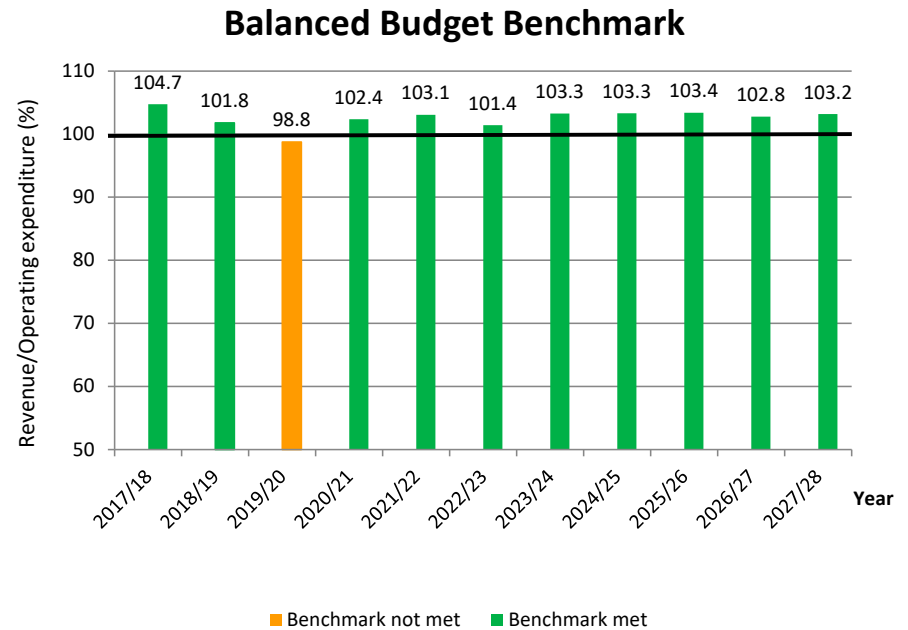
The following graph compares the Council's planned borrowing with a quantified limit on borrowing stated in the Financial Strategy included in the Council's LTP. The quantified limit is net external debt to be no more than 135 per cent of total revenue. This is in the Financial Strategy on pages 37 and 38.



Balanced budget benchmark

The following graph displays the Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment). The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.

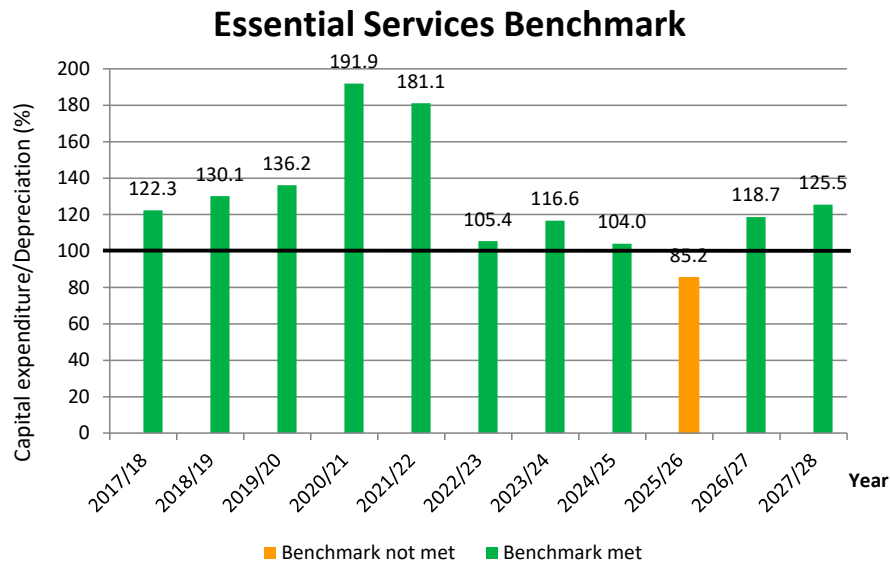
The budget is not balanced in line with the criteria as the Council does not fully fund depreciation. The Council uses a long run average renewal approach to renewal funding and carries renewal reserves to ensure the right level of funding is held for renewal expenditure. For further information refer to 'Balancing the Budget' page 194.



Essential services benchmark

The following graph displays the Council’s planned capital expenditure on network services as a proportion of expected depreciation on network services.

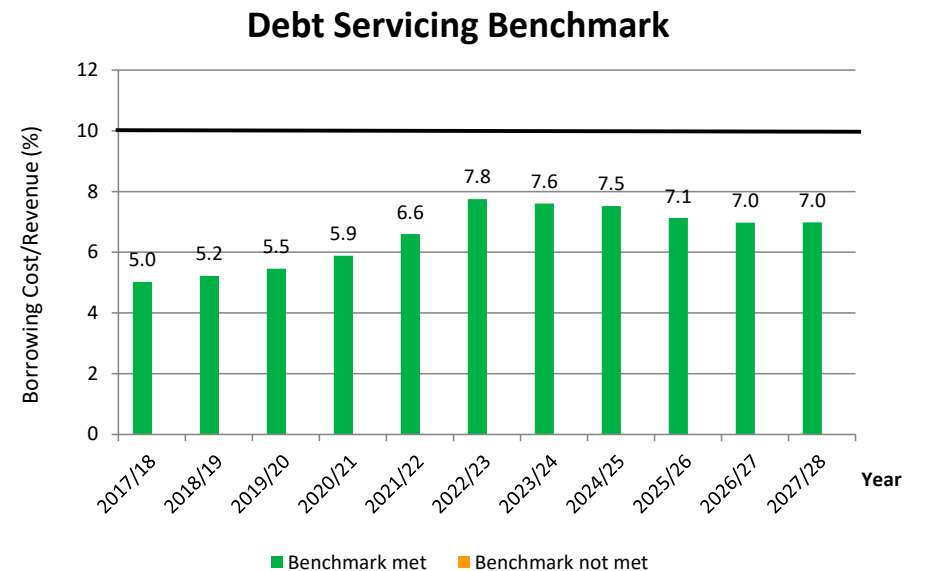
The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Debt servicing benchmark

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

Because Statistics New Zealand projects the Council’s population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal, or are less than, 10 per cent of its planned revenue.



Rating System and Information

RATING POLICIES, SYSTEM AND INDICATIVE RATES

This section complies with the requirements under Schedule 10 clauses 15(3)-(5) and 15A of the Local Government Act 2002. It should be read in conjunction with the 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 habitation 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

The Council will set a general rate based on the land value of rateable land in the district together with a uniform annual general charge applied to all separately used or inhabited parts (SUIPs) of a rating unit.

Differential land value categories

The Council 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:

	2017/18	2018/19	2019/20	2020/21
Group 1: Commercial/industrial. All rating units that are used primarily for any commercial or industrial purpose.	27.20%	27.10%	27.00%	26.90%
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.	54.00%	54.00%	54.00%	54.00%
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.	3.00%	3.20%	3.40%	3.60%
Group 4: Farmland. All rating units, not being rating units included in Group 1, 2 or 3, having a land area in excess of four hectares.	15.80%	15.70%	15.60%	15.50%
TOTAL	100.00%	100.00%	100.00%	100.00%

Note. The figures for 2019/20 and 2020/21 will be confirmed and set as part of the relevant annual plan processes.

Differential Category	Rate cents/\$	Differential factor
Commercial/Industrial	1.5482	4.14
Residential	0.3738	1.00
Small holdings	0.2352	0.63
Farmland	0.2465	0.66

Application of differential calculation

The differential percentages are applied to the total general rate required. The uniform annual general charge (UAGC) component is then deducted and the balance is allocated based on individual land values within each category. Refer to the example below:

Residential calculation	(\$)
Total general rates	58,631,164
Residential differential 54.0%	31,660,828
less UAGC 29,703 @ \$347.83	(10,331,594)
Residential requirement from land value calculation	21,329,234

2. Uniform annual general charge

The Council will set a uniform annual general charge (UAGC) which is a fixed amount assessed on every separately used or inhabited part of a rating unit. The UAGC is being raised in 2018/19 and 2019/20, and then will be adjusted for inflation (using the Local Government Cost Index) in 2020/21 onwards. The amount per SUIP (excluding GST) is set in the table below.

	2018/19	2019/20	2020/21
UAGC (excluding GST)	\$347.83	\$373.48	\$381.70

Note. The figures for 2019/20 and 2020/21 will be confirmed and set as part of the relevant annual plan processes.

Both the general rate and the uniform annual general charge 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, and swimming pool compliance and voluntary targeted rate for the New Plymouth Home Energy Scheme.

3. Targeted roading rate

The Council will set a targeted rate - the Uniform Annual Roading Charge (UARC) to partially fund the roading activity on all rateable land in the district of a fixed amount per SUIP. The UARC is being raised in 2018/19 and 2019/20, and then will be adjusted for inflation (using the Local Government Cost Index) in 2020/21 onwards. The amount per SUIP (excluding GST) is set in the table below.

	2018/19	2019/20	2020/21
UAGC (excluding GST)	\$106.52	\$113.04	\$115.53

Note. The figures for 2019/20 and 2020/21 will be confirmed and set as part of the relevant annual plan processes.

4. Targeted service charge rates

The Council will charge the following targeted rates:

- Water supply (non metered and metered).
- Sewage treatment and disposal.
- Refuse collection and disposal.
- Swimming pool compliance.
- Voluntary targeted rate - New Plymouth Home Energy Scheme.

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

5. Water supply (non metered and metered)

The Council has three mechanisms of payment for water supply. These are:

- Annual water charge** is made up of two rates:
 - Network fixed charge targeted rate being a targeted amount per separately used or inhabited part of a rating unit which is connected to an urban water supply but not metered. The amount per SUIP is \$32.00 for 2018/19.
 - Consumption charge targeted rate (standardised per unmetered household) being a fixed amount per separately used or inhabited part of a rating unit which is connected to an urban water supply but not metered. The amount per SUIP is \$250.82 for 2018/19.
- On demand supplies of water by meter** is made up of two rates:
 - A supply charge targeted rate per connection of \$32.00 for 2018/19 (except bypass meters) for each separately used or inhabited part of a rating unit which is metered and connected to an urban or rural water supply.

Rating System and Information

ii) A rate per cubic metre of water supplied to each connection which is metered and connected to an urban or rural water supply. A scale of charges is applied as follows for supplies excluding Waitara industrial supply:

- Standard rate for consumption up to or equal to 50,000m³ per annum \$1.11 (per cubic metre) for 2018/19.
- Rate for consumption in excess of 50,000m³ per annum \$1.13 (per cubic metre) for 2018/19.
- Waitara industrial - untreated supply \$0.82 (per cubic metre) for 2018/19.

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 separately used or inhabited part of a rating unit for properties that are not metered and are connected to a rural water supply (in accordance with the Council's Bylaw Part 14 - Water, Wastewater and Stormwater Services). For 2018/19, the amount per 1m³ unit is \$177.35.

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

The Council will set a targeted rate for sewage treatment and disposal as a fixed amount per separately used or inhabited part of a rating unit in respect of rating units (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 \$453.91 for 2018/19.

Commercial/industrial and schools

The Council will set a targeted rate per water closet or urinal 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.

• One to two	\$453.91
• Three	\$380.00
• Four	\$332.17
• Five	\$288.70
• Six to 10	\$258.26
• 11 to 15	\$240.87
• 16 to 20	\$232.17
• 21 or more	\$227.83

Ōākura sewerage scheme

For rating units in the area to which the Ōākura sewerage scheme is available where an agreement to connect was obtained but the rating unit has not yet connected, a targeted rate per separately used or inhabited part of a rating unit will be set as a fixed amount (which is half the full amount). The amount per SUIP for 2018/19 is \$236.52. 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.

7. Refuse collection and disposal including kerbside recycling

The Council will set a targeted rate for refuse collection and disposal (including kerbside recycling) as a fixed amount per separately used or inhabited part of a rating unit used as a household unit situated in defined areas¹ of the district in which the Council provides the service for which the charge is assessed. The amount per SUIP is \$131.27 for 2018/19.

¹ Defined areas shown on page 221, to be extended subject to consultation with community.

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

The Council will set a targeted rate for swimming pool compliance as a fixed amount per separately used or inhabited part of a rating unit which have a swimming pool/spa pool on the rating unit. The amount per SUIP is \$41.36 for 2018/19.

9. Voluntary Targeted Rate - New Plymouth Home Energy Scheme

New Plymouth Home Energy Scheme rate is a targeted rate set on properties that have benefited from the installation of clean heat or insulation funded (partially/fully) by New Plymouth District Council in respect of the property. The rate is calculated at 11.1 per cent of the service amount (the cost of the installation and finance charges) until the service amount and the costs of servicing the service amount are recovered and is charged on a rating unit basis.

Due dates and penalties

The Council's rates (excluding metered water rates) for the 2018/19 year (1 July 2018 to 30 June 2019) will become due and payable by four equal instalments on the following dates:

Instalment 1: 1 August 2018

Instalment 2: 1 November 2018

Instalment 3: 1 February 2019

Instalment 4: 1 May 2019

The Council 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 due dates listed above. The date that the penalty will be applied is:

Instalment 1 (penalty date): 29 August 2018

Instalment 2 (penalty date): 28 November 2018

Instalment 3 (penalty date): 27 February 2019

Instalment 4 (penalty date): 29 May 2019

In addition, the Council 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 2018 and which remain unpaid on 4 July 2018. The penalty will be applied on 28 September 2018 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 29 March 2019.

Rating System and Information

Metered water rates for the 2018/19 year (1 July to 30 June 2019) will generally be invoiced on a quarterly basis. However, rating units may be invoiced monthly if the unit has previously been invoiced monthly or the Council has been notified before 30 June 2018 to be invoiced monthly.

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

- Instalment 1: 28 November 2018
- Instalment 2: 27 February 2019
- Instalment 3: 29 May 2019
- Instalment 4: 28 August 2019

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

- Instalment 1: 20 August 2018
- Instalment 2: 20 September 2018
- Instalment 3: 21 October 2018
- Instalment 4: 20 November 2018
- Instalment 5: 20 December 2018
- Instalment 6: 21 January 2019
- Instalment 7: 20 February 2019
- Instalment 8: 20 March 2019
- Instalment 9: 22 April 2019
- Instalment 10: 20 May 2019
- Instalment 11: 20 June 2019
- Instalment 12: 22 July 2019

Rating base information

	2017/18*	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Projected number of rating units	35,104	35,491	35,878	36,265	36,652	37,039	37,426	37,813	38,200	38,587	38,974
Projected total capital value of rating units (\$m)	19,808	20,047	20,292	20,542	20,796	21,056	21,321	21,591	21,867	22,148	22,435
Projected total land value of rating units (\$m)	10,464	10,530	10,597	10,666	10,736	10,807	10,879	10,954	11,029	11,106	11,185

* These are the actual rates strike figures.

Lump sum contributions

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



Rating System and Information

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. They are required to be provided under clause 15(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 New Plymouth Home Energy Scheme targeted rate. More information about these rates can be found on page 211.

Residential Land Value (LV) \$91,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	375.27	391.18
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
Uniform annual sewage charge	500.00	522.00
Uniform annual water charge:		
- Network fixed charge	11.50	36.80
- Standardised consumption charge	288.44	288.44
Uniform annual refuse charge	129.93	150.96
	1,790.69	1,911.88

Residential LV \$130,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	536.11	558.83
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
Uniform annual sewage charge	500.00	522.00
Uniform annual water charge:		
- Network fixed charge	11.50	36.80
- Standardised consumption charge	288.44	288.44
Uniform annual refuse charge	129.93	150.96
	1,951.53	2,079.53

Residential LV \$170,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	701.06	730.78
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
Uniform annual sewage charge	500.00	522.00
Uniform annual water charge:		
- Network fixed charge	11.50	36.80
- Standardised consumption charge	288.44	288.44
Uniform annual refuse charge	129.93	150.96
	2,116.48	2,251.48

Rating System and Information

Residential LV \$230,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	948.50	988.70
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
Uniform annual sewage charge	500.00	522.00
Uniform annual water charge:		
- Network fixed charge	11.50	36.80
- Standardised consumption charge	288.44	288.44
Uniform annual refuse charge	129.93	150.96
	2,363.92	2,509.40

Residential LV \$400,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	1,649.56	1,719.48
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
Uniform annual sewage charge	500.00	522.00
Uniform annual water charge:		
- Network fixed charge	11.50	36.80
- Standardised consumption charge	288.44	288.44
Uniform annual refuse charge	129.93	150.96
	3,064.98	3,240.18

Commercial/Industrial LV \$32,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	536.36	569.74
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
Uniform annual sewage charge	500.00	522.00
Uniform annual water charge:		
- Network fixed charge	11.50	36.80
- Standardised consumption charge	288.44	288.44
	1,821.85	1,939.48

Commercial/Industrial LV \$160,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	2,681.80	2,848.69
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
Uniform annual sewage charge	310.01	332.01
Uniform annual water charge:		
- Network fixed charge	11.50	36.80
- Standardised consumption charge	288.44	288.44
	3,777.30	4,028.44

Rating System and Information

Commercial/Industrial LV \$305,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	5,112.18	5,430.31
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
Uniform annual sewage charge	1,375.00	1,485.00
Uniform annual water charge:		
- Network fixed charge	11.50	36.80
- Standardised consumption charge	288.44	288.44
	7,272.67	7,763.05

Commercial/Industrial LV \$1,540,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	25,812.33	27,418.62
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
Uniform annual sewage charge	2,750.00	2,970.00
Uniform annual water charge:		
- Network fixed charge	11.50	36.80
- Standardised consumption charge	288.44	288.44
	29,347.82	31,236.36

Commercial/Industrial LV \$570,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	9,553.91	10,148.45
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
Uniform annual sewage charge	1,550.03	1,660.03
Uniform annual water charge:		
- Network fixed charge	11.50	36.80
- Standardised consumption charge	288.44	288.44
	11,889.44	12,656.22

Rating System and Information

Small Holdings LV \$150,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	348.11	405.72
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
	833.66	928.22

Small Holdings LV \$260,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	603.38	703.25
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
	1,088.94	1,225.75

Small Holdings LV \$310,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	719.42	838.49
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
	1,204.97	1,360.99

Small Holdings LV \$390,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	905.07	1,054.87
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
	1,390.63	1,577.37

Small Holdings LV \$560,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	1,299.59	1,514.69
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
	1,785.15	2,037.19

Rating System and Information

Farmlands LV \$66,300 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	177.73	187.94
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
	663.28	710.45

Farmlands LV \$1,250,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	3,350.81	3,543.44
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
	3,836.37	4,065.94

Farmlands LV \$380,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	1,018.65	1,077.21
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
	1,504.20	1,599.71

Farmlands LV \$4,000,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	10,722.60	11,339.00
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
	11,208.15	11,861.50

Farmlands LV \$560,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	1,501.16	1,587.46
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
	1,986.72	2,109.96

TOTAL RATES

	A/Plan 2017/18 (\$)	LTP 2018/19 (\$)
Uniform annual general charge (UAGC)	11,813,874	12,887,449
General rate	43,133,140	45,743,714
Sub total (general rates)	54,947,014	58,631,164
Uniform annual roading charge (UARC)	3,630,600	3,943,370
Uniform annual sewage charge (UADC)	12,881,608	14,135,541
Uniform annual water charge (UAWC)	6,944,328	7,674,996
Water by meter charges	3,872,415	3,925,523
Uniform annual refuse charge (UARC)	3,089,270	3,798,818
Swimming pool compliance charge (UAPC)	39,818	-
Sub total (targeted rates/charges)	30,490,739	33,478,248
Total	85,437,753	92,109,412

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

Rating System and Information

Rates and Charges

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

	2017/18 (\$)	2018/19 (\$)
General rates		
Uniform annual general charge	322.22	347.83
Differential rates (cents per \$ of rateable value)		
- Group 1 (Commercial/Industrial)	1.4575c	1.5482c
- Group 2 (Residential)	0.3586c	0.3738c
- Group 3 (Small Holdings)	0.2018c	0.2352c
- Group 4 (Farmland)	0.2331c	0.2465c
Targeted rates/charges		
Uniform annual roading charge	100.00	106.52
Uniform annual refuse charge per serviced household	112.98	131.27
Uniform annual sewage charge - all rating units other than commercial/industrial	434.78	453.91
Uniform annual sewage charge - commercial/industrial (including schools) (scale of charges per water closet or urinal):		
- One to two	434.78	453.91
- Three	360.87	380.00
- Four	313.04	332.17
- Five	269.57	288.70
- Six to 10	239.13	258.26
- 11 to 15	221.74	240.87
- 16 to 20	213.04	232.17
- 21 or more	208.70	227.83
Ōākura part charge	217.39	236.52
Uniform annual water charge:		
- Network fixed charge	10.00	32.00
- Consumption variable charge	250.82	250.82

Swimming pool compliance charge	40.63	41.36
New Plymouth Home Energy Scheme - funding assistance depending on each funding arrangement		
Water charges		
- On demand supplies by water by meter (WBM):		
: Supply charge (for all metered customers)	10.00	32.00
: Standard rate for consumption up to 50,000m ³ (per cubic metre)	1.11	1.11
: Industrial rate for consumption in excess of 50,000m ³ per annum (per cubic metre)	1.13	1.13
- Waitara industrial - untreated supply (per cubic metre)	0.82	0.82
- Restricted flow connections (per water unit as defined by Water Supply Bylaw (Part 15))	177.35	177.35

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

Refuse Collection Area



Funding Impact Statement

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual charges, rates penalties	53.99	56.39	58.46	61.37	64.42	67.65	69.86	72.75	76.45	77.32	78.70
Targeted rates	30.54	33.51	35.89	37.63	39.55	41.46	42.93	43.70	43.62	44.62	46.18
Subsidies and grants for operating purposes	5.66	6.04	6.09	6.64	6.20	6.30	6.37	6.43	6.52	6.64	6.69
Fees and charges	26.66	26.62	27.67	28.63	28.86	30.05	31.31	31.64	32.58	33.88	34.56
Internal charges and overheads recovered	9.92	11.84	12.60	12.88	13.17	13.62	13.87	14.19	14.50	14.74	14.95
Local authorities fuel tax, fines, infringement fees and other receipts	3.81	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48
Total operating funding (A)	130.58	135.88	142.20	148.63	153.67	160.56	165.82	170.18	175.15	178.67	182.55
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	(98.18)	(102.63)	(110.17)	(109.96)	(111.01)	(113.82)	(117.57)	(120.40)	(124.25)	(127.43)	(130.03)
Finance costs	(7.17)	(7.65)	(8.43)	(9.54)	(10.93)	(13.27)	(13.52)	(13.64)	(13.42)	(13.28)	(13.60)
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	(105.34)	(110.28)	(118.61)	(119.50)	(121.94)	(127.08)	(131.08)	(134.04)	(137.67)	(140.71)	(143.63)
Surplus/(deficit) of operating funding (A - B)	25.24	25.61	23.60	29.13	31.72	33.47	34.73	36.14	37.48	37.96	38.92
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	4.73	6.04	6.66	8.41	6.99	5.24	6.55	5.37	7.31	5.64	5.79
Development and financial contributions	1.02	2.11	3.33	3.74	3.97	4.24	4.34	4.41	4.38	4.37	4.37
Increase (decrease) in debt	11.82	33.78	15.37	28.13	22.45	5.19	3.84	(0.25)	(7.95)	2.78	6.34
Gross proceeds from sale of assets	0.21	1.47	1.33	1.26	1.29	1.48	0.30	0.31	0.33	0.40	0.35
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	17.78	43.40	26.68	41.55	34.70	16.15	15.03	9.85	4.07	13.20	16.85

Funding Impact Statement

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	(6.17)	(6.00)	(7.80)	(10.19)	(15.76)	(2.79)	(4.68)	(4.35)	(4.05)	(1.02)	(1.62)
- to improve the level of service	(7.92)	(16.15)	(13.97)	(22.35)	(21.69)	(17.17)	(16.09)	(13.75)	(9.63)	(22.01)	(25.00)
- to replace existing assets	(29.49)	(39.11)	(28.07)	(38.91)	(27.26)	(26.70)	(26.25)	(24.92)	(24.54)	(25.81)	(28.16)
(Increase)/decrease in reserves	0.56	(7.74)	(0.44)	0.77	(1.72)	(2.96)	(2.74)	(2.97)	(3.33)	(2.32)	(0.99)
(Increase)/decrease of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(43.02)	(69.01)	(50.28)	(70.68)	(66.43)	(49.62)	(49.76)	(45.99)	(41.55)	(51.16)	(55.77)
Surplus/(deficit) of capital funding (C - D)	(25.24)	(25.61)	(23.60)	(29.13)	(31.72)	(33.47)	(34.73)	(36.14)	(37.48)	(37.96)	(38.92)
Funding balance (A - B) + (C - D)	-	-	-	-	-	-	-	-	-	-	-

Other information to be provided

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

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Depreciation and amortisation expense											
Depreciation expense	31.48	34.18	37.44	38.54	38.65	41.51	40.99	41.40	44.46	44.69	45.08
<i>less deferred/unfunded</i>	(13.01)	(14.92)	(18.99)	(19.36)	(18.53)	(20.87)	(20.19)	(20.31)	(23.03)	(22.86)	(23.07)
Net funding transferred to renewals reserves	18.48	19.26	18.45	19.18	20.12	20.64	20.79	21.09	21.44	21.82	22.01

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, the Council 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.

	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
SOURCES OF OPERATING FUNDING										
Total operating funding (A)	135.88	142.20	148.63	153.67	160.56	165.82	170.18	175.15	178.67	182.55
<i>add</i> sources of capital funding:										
- Subsidies and grants for capital expenditure	6.04	6.66	8.41	6.99	5.24	6.55	5.37	7.31	5.64	5.79
- Development and financial contributions	2.11	3.33	3.74	3.97	4.24	4.34	4.41	4.38	4.37	4.37
<i>add</i> Statement of comprehensive revenue and expense										
Unrealised gain/(loss) on PIF	5.03	5.12	4.63	4.71	5.08	5.17	5.56	5.66	6.08	6.20
Disposals gain/(loss) from sale of assets	-	-	-	-	-	-	-	-	-	-
Vested assets	4.04	4.12	4.21	4.30	4.39	4.50	4.60	4.71	4.83	4.95
Total operating revenue as per statement of comprehensive revenue and expense	153.10	161.42	169.62	173.64	179.51	186.37	190.13	197.21	199.60	203.86
APPLICATIONS OF OPERATING FUNDING										
Total applications of operating funding (B)	110.28	118.61	119.50	121.94	127.08	131.08	134.04	137.67	140.71	143.63
<i>add</i> Statement of comprehensive revenue and expense										
Depreciation and amortisation expenses	34.18	37.44	38.54	38.65	41.51	40.99	41.40	44.46	44.69	45.08
Revaluation (gain)/loss on forestry	(0.12)	(0.12)	(0.13)	(0.13)	(0.13)	(0.14)	(0.14)	(0.15)	(0.15)	(0.16)
Total operating expenditure as per statement of comprehensive revenue and expense	144.34	155.93	157.91	160.46	168.46	171.93	175.29	181.98	185.24	188.55

Council-controlled Organisations



Guide to the content of 'Council-controlled Organisations'

The Local Government Act 2002 requires the Council to include in the LTP information on council-controlled organisations, i.e. those organisations over which the Council has a 50 per cent or more shareholding or level of governance control. Information is based on the latest adopted 2018/19 Statements of Intent.

This includes information on the:

- Council's policies and objectives that relate to ownership and control of the organisation.
- Nature and scope of the activities to be provided by the Council-controlled organisations.
- Key performance targets and other measures by which performance may be judged.

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

- Papa Rererangi i Puketapu Limited.
- Venture Taranaki Trust.
- New Plymouth PIF Guardians Limited.
- Tasmanian Land Company Limited
- Three forestry joint ventures.

Papa Rererangi i Puketapu Limited

NATURE AND SCOPE OF ACTIVITY

In July 2017, the Council established Papa Rererangi i Puketapu Ltd (PRIP) as a separate Council-controlled trading organisation (CCTO) to manage the full operations of New Plymouth Airport and to oversee a major redevelopment of the Airport's terminal and surrounding infrastructure. The Council still retains ownership of the Airport company, the Aerodrome Operator Certificate and is the sole Shareholder.

The organisation is classed as a semi-commercial investment within the Council's Investment Policy.

PRIP's prime purpose is to operate the Airport on a sustainable commercial basis, to optimise the use of its assets and generate a reasonable return on investment to ensure the ongoing safe and successful operation of the Airport, whilst facilitating tourism and trade by working with the airlines to increase passenger numbers and develop other commercial activity.

The Airport provides services to allow the safe and efficient facilitation of travellers and freight and, ancillary to this, it leases terminal space and land at the Airport.

In the management of the Airport operations, PRIP has the autonomy to set the following charges at the Airport:

- All fees and associated charges in respect to vehicle parking.
- All landing and parking charges from regular passenger transport services.
- All landing and parking charges from general aviation aircraft.
- All revenue from tenant's leases and rents, licences, concession based contracts and lessees outgoings.

The Airport is viewed as an essential infrastructure asset for the district and the Taranaki region and has a key role to play in the economic performance, growth and development of the area. PRIP will work collaboratively with the Council, the Venture Taranaki Trust, the Taranaki Chamber of Commerce and other key stakeholders, ensuring a combined approach to achieve the region's desired strategic goals.

KEY ANNUAL OBJECTIVES AND PERFORMANCE INDICATORS

1. Maintain the Airport facilities to avoid any disruption of scheduled commercial flights other than for weather or airline problems.
2. Meet all the operating, maintenance, capital expenditure and interest costs from Airport revenue.
3. Manage New Plymouth Airport in full compliance with the approved operating procedures of the Civil Aviation Authority Rule Part 139.
4. Complete the Airport terminal redevelopment project and have the new building operational by the end of 2019.

SIGNIFICANT POLICIES AND OBJECTIVES ON OWNERSHIP AND CONTROL

PRIP operates as a standalone company governed by an independent skills-based Board of four Directors, including a Chairperson, and employs its own Chief Executive and staff. All Airport operations and assets are managed by the PRIP Chief Executive who has overall responsibility for implementing the company's strategic direction and reports to the company's Board of Directors. In addition to the appointed Board of Directors, the Shareholder may nominate an advisor who will attend, as an observer, Board meetings. This is currently the Council's Chief Operating Officer who will ensure strong communications and alignment between the Council and PRIP.

Venture Taranaki Trust

NATURE AND SCOPE OF ACTIVITY

Venture Taranaki Trust (Venture Taranaki) is a Council-controlled Organisation whose Board of Trustees is appointed by the council. Venture Taranaki is the economic development agency for the Council, responsible for delivering the Council's active economic development initiatives as set out in its statement of intent. Its vision is: "Taranaki – the envy of New Zealand for sustainable business, talent, investment and lifestyle".

Venture Taranaki's objectives are to:

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

The nature and scope of Venture Taranaki activities for the present and future members of the community resident in the Taranaki region include:

- a) Facilitating sustainable employment opportunities in the Taranaki region.
- b) Facilitating sustainable economic benefits for the Taranaki region.
- c) Facilitating or providing educational training courses, presentations and other learning experiences.
- d) Researching, acquiring and updating information about the Taranaki region.
- e) Promoting the Taranaki Area as a desirable region in which to establish a business, live, work and visit.
- f) Supporting projects beneficial to the Taranaki region.

KEY ANNUAL OBJECTIVES AND PERFORMANCE INDICATORS

1. Maintain a regional economic intelligence unit and publish bi-annually Taranaki Trends and Business survey.
2. Undertake one Team Taranaki submission on key regional issues.
3. Maintain connections across www.taranaki.info and social media channels.
4. Facilitate \$1,000,000 investment into regional businesses subject to central government policy.
5. Achieve >85 per cent client satisfaction in regard to business support services.
6. Support three key projects with high impact potential aligned with the regional growth agenda.
7. Invest \$240,000 in management capability building for Taranaki SME's subject to central government policy.
8. Attract or retain four major events meeting New Plymouth District Council criteria (>100 points) based on \$700,000 event fund.
9. Produce and distribute a minimum of six pieces of regional collateral to inspire the communities of Taranaki, visiting conferences, events and leisure travellers to explore and enjoy the many aspects of the region.

SIGNIFICANT POLICIES AND OBJECTIVES ON OWNERSHIP AND CONTROL

The Council controls the Venture Taranaki Trust by appointing its trustees. This is to ensure the necessary independence, public credibility and specialised governance that the trust needs in order to be effective in delivering economic development programmes, while retaining accountability to the district's community.

New Plymouth PIF Guardians Limited

NATURE AND SCOPE OF ACTIVITY

New Plymouth PIF Guardians Limited (NPG) is a 100 per cent Council-owned company with an independent board of directors. NPG was formally Taranaki Investment Management Limited and changed its name during 2017 when the Council resolved to change the organisational architecture for the management of the Perpetual Investment Fund (PIF) and move to a full outsourced model. The board of NPG appointed Mercer New Zealand Limited (Mercer) to manage the PIF.

KEY ANNUAL OBJECTIVES AND PERFORMANCE INDICATORS

A Governance Deed was entered into between the Council and NPG on 1 March 2017 and sets out the objectives for the management of the PIF:

1. To at least maintain the real capital of the PIF as a sustainable perpetual investment fund in the long term (the Founding Principle) whilst generating a sufficient return to maintain a sustainable release to the Council; and
2. To ensure that the following principles underpin the operation of the PIF:
 - a) All investments are made on purely commercial terms.
 - b) The PIF will be managed on the basis of a prudent, commercial, diversified portfolio investment style and asset allocation, which manages risk to further the Founding Principle.

SIGNIFICANT POLICIES AND OBJECTIVES ON OWNERSHIP AND CONTROL

The performance of Mercer will be monitored and reviewed by NPG, a Council-controlled operation with a board of highly experienced directors.

Tasmanian Land Company Limited

NATURE AND SCOPE OF ACTIVITY

New Plymouth District Council is a 100 per cent shareholder in Tasmanian Land Company Limited (TLC). TLC owned 100 per cent of Tasman Farms Limited and its subsidiary The Van Diemen's Land Company (VDL).

KEY ANNUAL OBJECTIVES AND PERFORMANCE INDICATORS

Following the sale of the farming operations in 2016, TLC is no longer trading and in the process of being wound up.

SIGNIFICANT POLICIES AND OBJECTIVES ON OWNERSHIP AND CONTROL

This investment forms part of the Council's Investment Policy.

Forestry Joint Ventures

NATURE AND SCOPE OF ACTIVITY

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

Forest plantations have been established under the following agreements:

- Tarata Ngatimaru Pukehou Joint Venture (60 per cent) – 6.8 ha.
- McKay Family Joint Venture (56.5 per cent) – 83.5 ha.
- Duthie Joint Venture (54.82 per cent) – 22.7 ha.

A total of 113 ha of forests are managed under joint venture agreements in which the landowner provides land and property related inputs, the Council provides management and tending programmes for the crop, and both parties share the returns from the forest harvest on an agreed ratio of respective inputs.

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

KEY ANNUAL OBJECTIVES AND PERFORMANCE INDICATORS

1. Complete all programmes outlined in the Forest Management Plans and Agreements.
2. Report annually in compliance with agreements.

SIGNIFICANT POLICIES AND OBJECTIVES ON OWNERSHIP AND CONTROL

These joint ventures were originally set up to augment the harvest rotation for council-owned forestry. The Council will currently retain the joint ventures to harvest and then review its future position. There are no formal board structures.

Additional Information



Revenue and Financing Policy

OVERVIEW

This Revenue and Financing Policy explains how the New Plymouth District Council will fund the operating and capital expenditure for each Council activity, over the next 10 years. Rating systems must also comply with the Local Government (Rating) Act 2002.

The Policy outlines the revenue and funding sources available to the Council and details how and when the Council will use these sources. This gives the community some certainty as to how Council activities will be funded.

The Council must undertake services in a financially prudent and sustainable way for the Council and community as a whole. The Council decisions and rationale underpinning them are set out in this Policy. In accordance with the Local Government Act, 2002, section 101(3), in funding each activity the Council has considered:

- the community outcomes to which each activity primarily contributes;
- an analysis of who benefits from the activity;
- the period of time the benefits are expected to occur;
- whether the activity is needed in response to the action(s), or lack of action(s), of a particular person or group; and
- whether it would be more prudent for the activity to be funded separately or included with other activities.

The Council must also consider the overall impact of any allocation of liability for revenue needs on the community.

The Revenue and Financing Policy is reviewed every three years, during the development of the Long-Term Plan (LTP).

DEFINITIONS OF COUNCIL SERVICES FUNDING OPTIONS

The Local Government Act 2002 requires Council to meet its funding needs from a defined list of sources. The Council determines which of these are appropriate for each activity, considering equity between generations, fairness and affordability. Council seeks to maintain an affordable and predictable level of rates in the future.

General rates

General rates are rates applied to the entire rating base of the district. General rates have two components.

The first part is a Uniform Annual General Charge (UAGC), which is a flat charge levied from every separately used or inhabited part of a rating unit (SUIP) in the district.

The second part is a variable charge based on a property's land value. The variable component of general rates is set as cents per dollar of land value, which is assessed according to four differentials based on the following primary land use categories:

- Residential.
- Commercial/industrial.
- Small holdings.
- Farmlands.

Therefore, the level of rates paid by a landowner will depend on the land value and the differential category within which the property falls, as well as any targeted rates (see below). The rationale for these differentials is outlined in the *General Funding Policies* section.

SUIP

A SUIP is defined as a separately used or inhabited part of a rating unit. It 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.

For the purpose of this policy, 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 premises 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.

Targeted rates

Targeted rates are set to recover the costs of providing services such as wastewater, refuse collection, disposal and recycling charges and swimming pool compliance. A targeted rate is levied only from those SUIPs that receive the service. For example, a household connected to the Council's water network is charged a targeted rate for water supply, but household using tank water is not.

The Council charges targeted rates in the form of uniform annual charges (flat rate) and demand-related charges.

Voluntary targeted rates

The voluntary targeted rate is used in cases where the Council provides financial assistance to property owners for particular capital projects, such as solar heating or insulation. The voluntary targeted rate is levied only from properties that receive Council assistance and is used to recover the borrowed amount and any administration costs.

Fees and charges

The Council levies over 1,000 fees and charges. Fees and charges are usually either full or part charges to recover the costs of delivering the services. Fees and charges are usually only set for services that a user has discretion to use or not, and where it is efficient for the Council to collect the fees and charges.

Interest and dividends from investments

The Council receives interest and dividends from short-term cash management and from its investments.

Borrowing

Borrowing is defined as taking on debt. The Council usually only borrows to fund long-lived capital assets.

Proceeds from asset sales

Proceeds from asset sales are the net sum received when physical assets are sold.

Development contributions

These are levies paid in accordance with the Council's Development Contributions Policy and the LGA 2002 to recover Council expenditure on reserves, community infrastructure and network infrastructure to meet increased demand resulting from new development. These levies can be used for capital expenditure for the purpose they were charged for, and may not be used to cover operational costs.

Financial contributions under the Resource Management Act

Financial contributions apply to holders of resource consents in the form of sums payable, or land transferred to the Council. These contributions are used to mitigate, avoid or remedy any adverse effects arising from subdivision or development. Note: In 2022, the ability to require financial contributions under the Resource Management Act 1991 will cease under the Resource Legislation Amendment Act 2017.

Grants and subsidies

These are payments from external agencies and are usually for an agreed, specified purpose. For the Council, the major source of grants and subsidies is the New Zealand Transport Agency (NZTA), which offers subsidies for road maintenance, renewals and improvements.

Revenue and Financing Policy

POLICY FOR FUNDING OPERATING AND CAPITAL EXPENDITURE

The Council has two types of expenses: operating expenditure and capital expenditure. Operating expenditure is used to fund the on-going day-to-day activities and services of the Council. Capital expenditure is money spent in acquiring or upgrading a business asset such as equipment or buildings. The Council has three categories of capital expenditure spread across its activities:

- Renewals - Defined as capital expenditure that increases the life of an existing asset with no increase in service level.
- Level of Service - Defined as capital expenditure that increases the service level delivered by the asset.
- Growth - Defined as capital expenditure that is required to provide additional capacity to cater for future growth in demand.

Policy for funding operating expenditure

Operating expenditures covers the cost of staff, energy, vehicle running costs, network operations, asset maintenance and consumables. The source and method of funding operating expenditure is as follows:

Funding for operating expenditure

Funding Source	Explanation of Funding Method
General rates	<p>General rates will primarily be used to fund those activities, or parts of activities that benefit the community in general, and where no identifiable individuals or groups benefit in a significantly different way to the rest of the community.</p> <p>General rates may also be used where it is an explicit objective to encourage the use of the service, or where it is important to achieving the Community Outcome to which the activity is intended to contribute, and where applying direct charging would discourage use.</p> <p>General rates may also be used where it is impractical or too administratively expensive to fund the activity from other sources.</p>
Targeted rates	<p>The Council may use targeted rates to fund activities where there is a clearly identifiable group, or properties in identifiable locations, that receive benefits from the activity. The Council may also set targeted rates to achieve a fair, efficient, or transparent allocation of costs across the community.</p> <p>Targeted rates are applied as a uniform annual charge or on the basis of service use or location.</p>

Funding Source	Explanation of Funding Method
Fees and charges	<p>The Council will generally apply fees and charges for services where the user receives direct benefits, either entirely or in part, from the service and where the use of the service is at the discretion of the user.</p> <p>The Council can also set fees for various consents, licences, permits and property information. The Council may set user charges to recover all or part of the cost of the activity, including a market return on the value of any Council investment.</p> <p>Where the Council needs to ration the use of an activity, charges may be set at a level above that which would be necessary to recover the costs of the activity.</p>
Interest and dividends from investments	The Council treats ordinary budgeted interest and dividends and other investment income as general revenue.
Borrowing	The Council will not borrow to fund operating costs for a service, unless there are reasons to justify borrowing as a short-term or interim solution.
Proceeds from asset sales	Operating costs are not funded from asset sales.
Development contributions	Operating costs cannot be funded from development contributions.
Financial contributions	Operating costs are not funded from financial contributions.
Grants and subsidies	Grants and subsidies will only be used for operating expenses when to do so is consistent with the purpose for which they were given.
Reserves	Reserves are funds assigned (or reserved) for a particular use. Reserves may be legally restricted or created by the Council.

Policy for funding capital expenditure

Capital expenditure is the Council's purchase of assets used to provide goods and services, to rent or lease to others, or for administration purposes. An asset is defined as having a service life of more than one year and includes bridges, libraries, swimming pools and the like. Capital expenditure may include capital held for the maintenance or repair of such assets (reserves).

Capital expenditure relating to the renewal or replacement of existing assets is usually funded from financial reserves built up from the revenue sources that fund the particular activity.

Capital expenditure relating to new long life assets is funded from debt. However, the Council exercises discretion in debt-funding new assets with service lives that are less than 10 years long, as in some cases it would be inappropriate to borrow for such purposes.

Funding for capital expenditure

Funding Source	Explanation of Funding Method
General rates	<p>General rates may be used to retire debt.</p> <p>General rates may also be used to purchase assets where the Council determines that funding the assets from debt is not the preferred option.</p>
Targeted rates	<p>Targeted rates may be used to retire debt, where the debt has arisen from the purchase of assets for the activity funded by the targeted rate.</p> <p>Targeted rates may be used to purchase assets where the Council determines that funding the assets from debt is not the preferred option, and the assets are to be used for the activity funded by the targeted rate.</p>

Revenue and Financing Policy

Funding Source	Explanation of Funding Method
Fees and charges	<p>User charges may be used to retire debt, where the debt has arisen from the purchase of assets used for the activity funded by the user charge.</p> <p>User charges may be used to purchase assets, where the Council determines that funding the assets from debt is not the preferred option, and the assets are to be used for the activity funded by the user charge.</p>
Interest and dividends from investments	Investment income may be used to retire debt, where that income has not been budgeted for other purposes.
Borrowing	The Council's preferred method of funding significant capital expenditure is borrowing.
Proceeds from asset sales	The Council will use proceeds from asset sales as an appropriate source for purchasing assets, building a reserve for the future purchase of assets, or retiring debt because it has no impact on the Council's financial position (assets versus liabilities).
Development contributions	Development contributions will be used to fund the portion of new asset expenditure required as a result of increased demand related to growth. Development contributions can only be used for capital projects specified by the Local Government Act 2002.
Financial contributions under the Resource Management Act	Financial contributions will be used to fund the proportion of new asset expenditure that is required to avoid, remedy or mitigate the adverse environmental effects resulting from subdivision and development (subject to cease in 2022).
Grants and subsidies	Grants and subsidies will only be used for capital expenses when to do so is consistent with the purpose for which they were given.

Funding Source	Explanation of Funding Method
Reserves	<p>Reserves are funds assigned (or reserved) for a particular use. Reserves may be legally restricted or created by the Council.</p> <p>Generally, reserves will only be used for capital expenditure when to do so is consistent with the purpose for which they were created.</p>

GENERAL FUNDING POLICIES

General rates

New Plymouth District Council will apportion its general rates according to the land value and use of each property. Use of property is determined according to whether its primary use is residential, commercial/industrial, farmland or small holdings. Each type of property pays different rates (cents per dollar of land value). These are called “differentials” and are designed to achieve an apportionment of rates that maintains its relativity across sectors over time.

The UAGC is a flat, per property component of the general rate. It funds the same activities as are funded by the general rate. The UAGC has a significant effect, in that it reduces the variation in rates between high value properties and lower valued properties within each differential class of property.

The Council considers the level of fixed charges and property value based general rates each year and is able to make adjustments through the annual plan process.

Differential groups and general rates

The variable land value component of the Council’s general rate is set using four differentials: Residential, Commercial/industrial, Small holdings and Farmlands.

The rationale for this approach is that the dollar per land value set for each differential category is a fair and equitable amount related to the benefits that properties within that differential group receives, and not subject to fluctuations in property values that may occur between the different categories over time. The level of rates a landowner pays will vary, based on both land value and the differential category within which the property falls.

As property values change, the Council will alter the group differentials (the amount of rates charged per dollar of value) to ensure each differential group continues to pay the same overall proportion of general rates. The proportion of general rates set for each differential category is outlined in the following table.

Differential Category	Definition	Fixed Differential Factor		
		2018/19 (transition)	2019/20 (transition)	2020/21 and onwards
Group 1: Commercial/ industrial	All rating units that are used primarily for any commercial or industrial purpose.	27.10%	27.00%	26.90%
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.	54.00%	54.00%	54.00%
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.	3.20%	3.40%	3.60%
Group 4: Farmland	All rating units, not being rating units included in Group 1, 2 or 3, having a land area in excess of four hectares.	15.70%	15.60%	15.50%

Revenue and Financing Policy

Uniform Annual General Charge and Uniform Annual Roading Charge

The Council policy is to consider increasing the Uniform Annual General Charge (UAGC) and the Uniform Annual Roading Charge (UARC) in accordance with the rate of inflation, as part of each Annual Plan. The Council uses the local government cost index as the applicable inflation rate. The Council will consider the overall impact of this inflation adjustment before implementing it as part of the Annual Plan.

Transitional arrangement

The above policy to inflation adjust the UAGC and UARC will first be implemented in the 2020/21 Annual Plan, and then onwards. Before the annual inflation-adjustment occurs, the following increases will be made to the UAGC and UARC (GST exclusive).

	2018/19	2019/20
Uniform Annual General Charge	\$347.83	\$373.48
Uniform Annual Roading Charge	\$106.52	\$113.04

District-wide funding: The One Bucket Policy

The New Plymouth District Council has a 'one bucket' policy for funding community facilities.

The one bucket policy means rates collected from all areas in the district are pooled into one fund and used to provide services across the district as a whole, rather than allocated only to the location where the rates were sourced. Funding priorities are based on the needs of the district as a whole, as opposed to the amount of rates sourced from each locality in the district. For example, if the one area required general rates funding for a recreation facility, funding would come from the pool of rates contributed from all locations in the district, not just the pool contributed by that area's landowners. The one bucket policy is intended to:

- Promote a unified commitment to the long term future of the district.
- Provide all urban communities across the district with an acceptable minimum standard of service for water, wastewater, refuse collection and kerbside recycling.

- Provide integrated management.
- Spread the risk associated with operating assets and intensive network services.
- Ensure funds are available to upgrade the networks and complete projects at the optimal time.
- Avoid any sudden changes in the level of funding required from specific groups of ratepayers.

The Council applies the general rate differentials to community facilities in order to attribute costs and benefits to the appropriate rating group.

The Council has a combined network pricing policy for refuse collection, kerbside recycling and the wastewater and water supply networks. Refuse collection, kerbside recycling, water and wastewater each have a standard fixed charge that is applied to all urban properties that receive the service.

Voluntary targeted rates

The Council's voluntary targeted rate is applied to ratepayers who receive Council funding for part or all of certain capital works costs for their properties. This includes projects such as installing solar heating or insulation. If a ratepayer has received Council assistance for the approved capital work, funding is recovered from the property owner through the targeted rate.

Rest home accommodation

The Council's method for rating rest home properties is as follows:

- The hospital, office, common area and non-self-contained rooms are categorised and rated in the commercial/industrial deferential group.
- Any self-contained units, flats or town houses, including those that are 'licence to occupy', are considered Separately Used or Inhabited Part of a Rating Unit (SUIP), which is defined as a separately used or occupied part of a rating unit. They are categorised and rated in the residential deferential group.

Multi-use units on a single title

In cases where multiple units on a single title have fewer residents than a single unit property, the Council does not allow remissions.

Bed and breakfast accommodation

The Council will allow smaller bed and breakfast operators (one to five bedrooms) to be rated as residential properties. Operators that have six or more bedrooms will be rated as commercial/industrial properties, with the owners living accommodation rated as a residential property. This rating method also applies to farm stay properties.

Housing for the Elderly rental income

Rental income from the Council's Housing for the Elderly units will be used solely for the operation, maintenance and capital costs of providing the service.

OVERALL IMPACT OF ALLOCATION OF REVENUE ON THE COMMUNITY CONSIDERATIONS

Sustainability of rates funding

The Council is aware that the level of rates can have negative impacts on property owners with low incomes. Rates are based on a property's land value rather than any metric of the ability of the ratepayer to pay the rates (such as income). To help mitigate costs for people on low incomes, the Council promotes the use of the rates rebate scheme. The Council also allows rates to be paid in quarterly instalments.

The Council's investment income is used to offset general rates. This has benefits for the residents of the district because it means the Council can provide higher levels of service and better facilities than would normally be available in a district of this size, while keeping the impact on ratepayers low. Council investments are managed carefully to ensure that these benefits are maintained or improved.

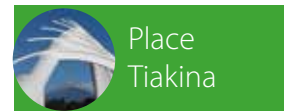
The Council's community outcomes

The Council's strategic framework can be used to assess the impact of rates funding on the community.



People
He Tangata

People/He Tangata: *Putting people first/Aroha ki he Tangata:* A wide range of Council's cultural, social and regulatory services contribute to this outcome. Because they offer widespread benefits and are accessible to all people in the district, these services are often funded from general rates.



Place
Tiakina

Place/Tiakina: *Caring for our place/Manaaki whenua, manaaki tangata, haere whakamua:* Activities that contribute to protecting and caring for the environment are often funded from general rates. Some services are also funded through other mechanisms. For example, the solid waste service is partly funded through targeted rates, whereby those households who contribute to the need for the service also contribute to the cost of delivery.



Prosperity
Āwhina

Prosperity/Āwhina: *Supporting a prosperous community/Awhi mai, Awhai atu, tātou katoa:* The Council's provision of infrastructure and services for businesses contributes to this Community Outcome. These activities are funded through a variety of mechanisms. Some infrastructure is funded by user pays charges such as targeted rates or water meters, whereby those who receive and benefit from the service, also contribute to the cost of delivery.

Revenue and Financing Policy

DISTRIBUTION OF FUNDING ASSESSMENT

In considering how a Council service should be funded, it is important to identify who benefits from the activities of the service.

Approach

For each activity that the Council undertakes the following approach will be undertaken to assess the funding for that activity:

Firstly, the activity and any distinct sub-activities are identified. For each activity and/or sub-activity, an assessment is undertaken of:

- Community outcomes - how does the activity contribute to People/He Tangata, Place/Tiakina, or Prosperity/Āwhina.
- The distribution of benefits within the community - does the activity benefit individuals, particular groups or the community as a whole.
- The period of benefits - does the activity have short-term or long-term benefits.
- The extent actions or inactions of people contribute - are there exacerbators to the activity.
- The costs and benefits of funding distinctly from other sources - are there benefits to having distinct revenue sources, such as targeted rates, for the activity.

After considering these impacts on each identified activity and sub-activity, the Council must then consider the overall impact of allocation for revenue on the community.

The Council then uses this assessment information to consider how the activity should be funded. There should be a logical nexus between the assessment and the funding sources, although noting that the assessing the overall impact on allocation for revenue across the community may result in modification of the funding approach.

The operational and capital costs of each of the Council's activities are funded as per the table on the next page.

Revenue and Financing Policy

Council Service	Community Outcomes	Period of Benefit	Distinct Funding	Exacerbator	Distribution of Benefits	Funding Split		Funding Sources
						Public	Private	
Parks and Open Spaces Public open spaces, including streetscapes	Place/Tiakina People/He Tangata	Both short-term and long-term benefits	Low benefit to distinctly funding	None identified	Expenditure on parks and gardens generally has public benefits.	80-100%	0-20%	General rates Borrowing Development and financial contributions
Parks and Open Spaces Cemeteries and crematoriums	People/He Tangata	Both short-term and long-term benefits	Medium benefit to distinctly funding	None identified	The benefits from expenditure on cemeteries and crematoriums are a combination of public and mainly private benefits. Family members of the deceased benefit from the cemetery and cremation services. Public health and sanitation is a public benefit provided by having access to these facilities.	20-40%	60-80%	General rates Fees and charges Borrowing
Parks and Open Spaces Sports parks	People/He Tangata Place/Tiakina	Both short-term and long-term benefits	Low benefit to distinctly funding	None identified	The benefits from expenditure on sports parks are a combination of public and private. The public derive benefit from having access to sports grounds for recreation other than organised sport. The availability of sports grounds and facilities for use by sporting groups, clubs and associations is a significant private benefit to those groups.	80-100%	0-20%	Fees and charges Borrowing
Parks and Open Spaces Campgrounds	Place/Tiakina Prosperity/Āwhina People/He Tangata	Both short-term and long-term benefits	Medium benefit to distinctly funding	None identified	Campgrounds provide private benefits for holiday makers who visit the district, or residents who use them for recreation.	30-70%	30-70%	General rates Fees and charges Reserves Borrowing

Revenue and Financing Policy

Council Service	Community Outcomes	Period of Benefit	Distinct Funding	Exacerbator	Distribution of Benefits	Funding Split		Funding Sources
						Public	Private	
Parks and Open Spaces Public halls	People/He Tangata	Both short-term and long-term benefits	Low benefit to distinctly funding	None identified	People and groups who use public halls receive a clear and direct benefit as only one group can use the facility at a time. However, providing community facilities helps communities connect. The groups that use the facilities often make significant and voluntary contributions to community well-being.	80-100%	0-20%	General rates Fees and charges Reserves Grants and subsidies Development and financial contributions
Transportation	Prosperity/Āwhina	Both short-term and long-term benefits	High benefit to distinctly funding	None identified	The benefits from expenditure on roads are a combination of private and public. The public derive benefit from having access to the roading network. Individual properties gain varying benefits attributed to roading.	40-60%	50-60%	General rates Targeted rates Fees and charges Reserves Grants and subsidies Borrowing Development and financial contributions
Stormwater Management Flood Protection and Control Works	People/He Tangata Prosperity/Āwhina	Both short-term and long-term benefits	Low benefit to distinctly funding	None identified	Stormwater management has public benefits. Stormwater is managed on a catchment basis. Benefits apply to all.	95-100%	0-5%	Reserves General rates Fees and charges Borrowing Development and financial contributions

Revenue and Financing Policy

Council Service	Community Outcomes	Period of Benefit	Distinct Funding	Exacerbator	Distribution of Benefits	Funding Split		Funding Sources
						Public	Private	
Waste Management and Minimisation Disposal	Place/Tiakina	Both short-term and long-term benefits	Medium benefit to distinctly funding	Illegal dumpers	Public benefit arises from transfer station and landfill operations, as these activities promote public health and sanitation, and control pollution.	30-50%	50-70%	Fees and charges Targeted rates Reserves General rates Borrowing
Waste Management and Minimisation Refuse collection	Place/Tiakina People/He Tangata	Both short-term and long-term benefits	High benefit to distinctly funding	Misusers of kerbside services	Every household within collection areas benefits from expenditure on solid waste management. Public benefit arises as the activity promotes public health and sanitation, and control pollution.		100%	Fees and charges Targeted rates Reserves Borrowing
Water Supply	Place/Tiakina Prosperity/Āwhina	Both short-term and long-term benefits	High benefit to distinctly funding	High water users	The benefits from expenditure on water supply services are mainly private. However, the public benefits from access to a continuous supply of safe drinking water and an assured supply of water for firefighting.		100%	Fees and charges Targeted rates Reserves Borrowing Development and financial contributions
Wastewater Treatment	Place/Tiakina Prosperity/Āwhina	Both short-term and long-term benefits	High benefit to distinctly funding	High users, including trade waste	Every household within sewage disposal areas receives uniform and direct benefits from wastewater treatment. Other commercial and industrial users receive benefits based on their activity levels.		100%	Fees and charges Targeted rates Reserves Borrowing Development and financial contributions

Revenue and Financing Policy

Council Service	Community Outcomes	Period of Benefit	Distinct Funding	Exacerbator	Distribution of Benefits	Funding Split		Funding Sources
						Public	Private	
Emergency Management and Business Continuance	Place/Tiakina People/He Tangata Prosperity/Āwhina	Both short-term and long-term benefits	Low benefit to distinctly funding	None identified	The benefits are public, attributable to the whole community. In some cases, value added services mean individuals receive private benefit.	100%		General rates Borrowing
Community Partnerships	People/He Tangata	Short-term benefits	Low benefit to distinctly funding	None identified	Community Partnerships supports community initiatives that have wide public benefits. Individual and group recipients of grants also benefit from this service.	60-80%	20-40%	General rates Grants and subsidies Fees and charges Reserves
Govett-Brewster Art Gallery/Len Lye Centre	People/He Tangata Prosperity/Āwhina	Both short-term and long-term benefits	Medium benefit to distinctly funding	None identified	The Govett-Brewster Art Gallery/ Len Lye Centre activities cater for the community at large and build a collection of materials that are a community asset for the future. There are private benefits to users of the service.	60-80%	20-40%	General rates Fees and charges Reserves Grants and subsidies Borrowing
Puke Ariki and Community Libraries	People/He Tangata Prosperity/Āwhina	Both short-term and long-term benefits	Low benefit to distinctly funding	None identified	Libraries and museums provide information and education services that cater for the community at large and build a collection of materials that are a community asset for the future. The visitor information centre supports the local economy by promoting local businesses and encouraging visitors to make the most of their stay in the district. There are private benefits to individuals who borrow books or materials or who use the information centre to plan and book their visit.	80-100%	0-20%	General rates Fees and charges Reserves Grants and subsidies Borrowing Development and financial contributions (only in relation to community centres and their land)

Revenue and Financing Policy

Council Service	Community Outcomes	Period of Benefit	Distinct Funding	Exacerbator	Distribution of Benefits	Funding Split		Funding Sources
						Public	Private	
Venues and Events Pools	People/He Tangata	Both short-term and long-term benefits	Medium benefit to distinctly funding	None identified	The pool provides private benefits for swimmers and other patrons who use the pools, hydrolides and gym facilities. The public derive benefit from water safety education and from recreational facilities that encourage community health and social well-being.	50-70%	30-50%	General rates Fees and charges Reserves Grants and subsidies Borrowing
Venues and Events Programmes and events	People/He Tangata Prosperity/Āwhina	Short-term benefits	Low benefit to distinctly funding	None identified	The public benefit from events and programmes, such as the Festival of Lights, that are open to the general public. There are private benefits for those who attend events and programmes.	60-80%	20-40%	General rates Fees and charges Reserves Grants and subsidies
Venues and Events Event venues	People/He Tangata Prosperity/Āwhina	Both short-term and long-term benefits	Medium benefit to distinctly funding	None identified	The benefits from expenditure on event venues are mainly private. Sporting groups, teams, clubs and associations gain significant private benefit from the availability of grounds and facilities for their members. The public benefit from access to sports grounds for other recreational pursuits.	40-60%	20-40%	General rates Fees and charges Reserves Borrowing Grants and subsidies
Customer and Regulatory Solutions Animal control	People/He Tangata	Short-term benefits	High benefit to distinctly funding	Owners of wandering, menacing or dangerous animals	The activities of animal control provide mainly private benefits, for which the user pays. There is also a degree of measurable public benefit from animal control services.	10-30%	70-90%	Fees and charges General rates Reserves

Revenue and Financing Policy

Council Service	Community Outcomes	Period of Benefit	Distinct Funding	Exacerbator	Distribution of Benefits	Funding Split		Funding Sources
						Public	Private	
Customer and Regulatory Solutions Building consents	Prosperity/Āwhina	Short-term benefits	High benefit to distinctly funding	None identified	The benefits from building consents can be directly attributed to the individuals or organisations that apply for the building consent. Full cost recovery is not always possible because some fees are set by law or regulation and a high fee may result in people not obtaining the necessary consent(s).	0-20%	80-100%	Fees and charges General rates Reserves
Customer and Regulatory Solutions District planning	Place/Tiakina Prosperity/Āwhina	Short-term benefits	Low benefit to distinctly funding	None identified	The benefits are attributable to the whole community and considered a public benefit. In cases of non-compliance with the District Plan, the exacerbator pays.	95-100%	0-5%	General rates Fees and charges
Customer and Regulatory Solutions Resource consents and monitoring	Place/Tiakina Prosperity/Āwhina	Short-term benefits	Medium benefit to distinctly funding	Those that do not comply with resource consent obligations	The benefits of controlling the negative environmental effects of an individual or group are attributable to the individual or group.	20-40%	60-80%	Fees and charges
Customer and Regulatory Solutions Environmental health	Place/Tiakina People/He Tangata	Short-term benefits	Medium benefit to distinctly funding	Those that do not comply with environmental health requirements	The benefits of expenditure on environmental health services are a mixture of public and private. Enforcement of bylaws and statutory requirements has public benefits for community health and safety. There is a private benefit for individuals or owners who hold licenses or certifications for activities.	40-60%	40-60%	General rates Fees and charges
Customer and Regulatory Solutions Parking	Prosperity/Āwhina	Short-term benefits	High benefit to distinctly funding	Those that breach parking restrictions	The benefits are private, attributable to individuals.		100%	Fees and charges

Revenue and Financing Policy

Council Service	Community Outcomes	Period of Benefit	Distinct Funding	Exacerbator	Distribution of Benefits	Funding Split		Funding Sources
						Public	Private	
Economic Development	Prosperity/Āwhina People/He Tangata	Short-term benefits	Low benefit to distinctly funding	None identified	The benefits are public, attributable to the whole community. In some cases individuals have private benefit for value added services.	100%		General rates
Governance	People/He Tangata	Short-term benefits	Low benefit to distinctly funding	None identified	The benefits of expenditure on governance services are public. This service allows the public an opportunity to be part of the democratic process and to be represented.	95-100%	0-5%	General rates Fees and charges
Management of Investments and Funding	Prosperity/Āwhina	Both short-term and long-term benefits	Low benefit to distinctly funding	None identified	The benefits are public, attributable to the whole community.	100%		Fees and charges Dividends and interest Borrowing Reserves <i>Note: Management of Investments and Funding generates a surplus which is used to offset general rates.</i>

Revenue and Financing Policy

The table below sets out the general approach to considering whether sources of income are considered to be public or private sources for the purposes of this policy.

Public or private funding source

Funding Source	Public or Private
General rates	General rates are considered public funding.
Targeted rates	Targeted rates are considered private funding.
Fees and charges	Fees and charges are generally considered private funding. There are instances where fees and charges are considered public funding, such as in relation to rents from endowment lands.
Interest and dividends from investments	Interest and dividends can be considered public or private depending on the original source of the investment. Income derived from the Perpetual Investment Fund is considered a public funding source.
Borrowing	Borrowing can be considered public or private depending on the source of debt repayment.
Proceeds from asset sales	Proceeds are considered a public funding source.
Development contributions	Development contributions are a private funding source.
Financial contributions	Financial contributions are a private funding source.
Grants and subsidies	Grants and subsidies will generally be considered a private funding source.
Reserves	Reserves can be considered public or private depending on the original source of the funds transferred to the reserve.

Significant Forecasting Assumptions

The Council has adopted a range of forecasting assumptions. These assumptions represent a likely future scenario. However, as with any forecasting, how the future turns out is uncertain. Therefore, variations from these forecasting assumptions are likely. This, in turn, means that the prospective financial statements are likely to vary from the information presented and these variations may be material.

Assumption	Detail and Uncertainty																
<p>Population Growth</p> <p>The district's population will grow from 83,400 in 2018 to 92,400 by 2028 and to 106,100 by 2048.</p>	<p>New Plymouth District Council will use the following projections.</p> <table border="1"> <thead> <tr> <th></th> <th>2018</th> <th>2023</th> <th>2028</th> <th>2033</th> <th>2038</th> <th>2043</th> <th>2048</th> </tr> </thead> <tbody> <tr> <td>Population</td> <td>83,400</td> <td>88,100</td> <td>92,400</td> <td>96,300</td> <td>99,800</td> <td>103,000</td> <td>106,100</td> </tr> </tbody> </table> <p>This has been developed using Statistics New Zealand population projections, utilising the medium projection for natural increase (births and deaths) and the high projection for migration (immigration and emigration).</p> <p>There is a medium level of uncertainty. Uncertainty arises from changes to births, deaths, inwards migration and outward migration levels. If these factors change from projection then the assumption will not be borne out.</p> <p>Growth assumptions underpin the Council's asset and activity management planning and planned capital expenditure budgets in the LTP. Any increase in population is likely to result in proportionate increase in demand on council services. This is through additional growth infrastructure, as well as services to people where an increase in population is likely to lead to more use (such as libraries). If population growth exceeds these projections, the Council may need to invest in additional urban growth infrastructure and this will impact capital budgets and revenue. There is also a risk that forecast population growth does not occur, or occurs at a slower rate. The Council carries some risk of over-investment in growth infrastructure. As the cost of growth assets are generally recovered through development contributions, the Council would bear the debt for capital expenditure until those growth areas were utilised.</p>		2018	2023	2028	2033	2038	2043	2048	Population	83,400	88,100	92,400	96,300	99,800	103,000	106,100
	2018	2023	2028	2033	2038	2043	2048										
Population	83,400	88,100	92,400	96,300	99,800	103,000	106,100										
<p>Ethnicity</p> <p>The district's ethnic makeup will continue to be predominately European and Māori with some increases in the Asian community.</p>	<p>Overall, the population is expected to continue to predominately be European and Māori, however the Asian community will grow to around nine per cent of the population by 2028 (from six per cent in 2018). This has been developed using Statistics New Zealand data, altered to reflect the population growth assumption.</p> <p>There is a low level of uncertainty. Uncertainty arises from changes to births, deaths, inwards migration and outward migration levels. If these factors change from projection then the assumption will not be borne out.</p> <p>The Council needs to consider the ethnic make-up of the district to ensure its services are accessible across the population, including different cultural views on certain services. This will also have an impact on how the Council engages effectively with the community.</p>																

Significant Forecasting Assumptions

Assumption	Detail and Uncertainty																								
<p>Age</p> <p>The district will continue to have an ageing population, with a significant increase in those aged 65 years and over.</p>	<p>Overall, the population is expected to continue to age, with most growth occurring in the over 65 age groups. By 2028, over 65 year olds will be approximately one-quarter of the total population, up from 18 per cent in 2018. There will be modest growth in other age brackets, but they will decline as a proportion of the total population. This has been developed using Statistics New Zealand data, altered to reflect the population growth assumption.</p> <p>There is a low level of uncertainty. Uncertainty arises from changes to births, deaths, inwards migration and outward migration levels. If these factors change from projection then the assumption will not be borne out.</p> <p>An ageing population may impact a range of Council services. These include accessibility issues in parks and the transport network (e.g. footpaths), backdoor kerbside collection services, changes to libraries, and housing for the elderly. There will also be an increase in the proportion of ratepayers on fixed incomes, which may increase rates affordability issues. A more rapidly ageing population will result in many of these issues needing to be considered earlier, either resulting in increased investment to make the district more aged-friendly or increased dissatisfaction with services (which may impact on performance measures of level of service). A slower ageing population will provide more time to invest in making the district aged-friendly and may mean some planned investment is earlier than necessary to maintain levels of service.</p>																								
<p>Economic growth</p> <p>The rate of economic growth in the district will be similar to the national average.</p>	<p>The Council assumes that real GDP growth in the district will be similar to the national average over the life of the LTP (with the national average taken from the BERL* forecasts). However, the Council also acknowledges that there may be considerable variation in any given year as the historic trend shows divergence from the national forecasts.</p> <table border="1"> <thead> <tr> <th></th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> <th>2020/21</th> <th>2021/22</th> <th>2022/23</th> <th>2023/24</th> <th>2024/25</th> <th>2025/26</th> <th>2026/27</th> <th>2027/28</th> </tr> </thead> <tbody> <tr> <td>Real GDP growth %</td> <td>3.0</td> <td>2.4</td> <td>2.2</td> <td>2.3</td> <td>2.4</td> <td>2.5</td> <td>2.7</td> <td>2.8</td> <td>2.9</td> <td>3.0</td> <td>3.1</td> </tr> </tbody> </table> <p>There is a medium level of uncertainty.</p> <p>Uncertainty arises as local economic growth and activity is driven by national and global economies and politics. Change and fluctuations in these larger economies and the political landscape have high likelihood of impacting our local economy. The Government's announcements around the end of the Block Offer programme for petroleum exploration permits in three years will have potential implications for the region's economy in the long-term. In the immediate future (including the life of this LTP) the oil and gas sector will continue, albeit at a potentially lower rate of investment and activity by the end of the Plan. If these factors change from projection then the assumption will not be borne out.</p>		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Real GDP growth %	3.0	2.4	2.2	2.3	2.4	2.5	2.7	2.8	2.9	3.0	3.1
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28														
Real GDP growth %	3.0	2.4	2.2	2.3	2.4	2.5	2.7	2.8	2.9	3.0	3.1														

* BERL are Business and Economic Research Limited, an independent economic research firm. BERL provides forecast advice to many local authorities.

Significant Forecasting Assumptions

Assumption	Detail and Uncertainty
	<p>The four Taranaki local authorities and the Government have collaboratively developed the <i>Tapuae Roa: Make Way for Taranaki Strategy</i> and an associated Action Plan. The Government, through the Provincial Growth Fund, has announced investment into a range of projects (including undertaking feasibility studies for further investment) across a range economic sectors. The LTP also includes additional funding to deliver on the Strategy and Action Plan. The long-term success of these investments in alternative economic drivers for the region, as well as the future prospects for the energy industry in Taranaki, will be critical drivers for future economic growth beyond the timeframe of this Plan.</p> <p>Existing and planned Council infrastructure and services will be sufficient to meet growth in demand generated by the anticipated growth in economic activity. If economic growth and activity were to increase significantly beyond the predictions of this assumption, there may be an increase in demand on council infrastructure and services. If a lower rate of economic growth occurs then this will have implications for population growth and therefore the rate of residential development, these risks are outlined in the relevant forecasting assumptions.</p>
<p>Labour force</p> <p>There will be minimal change to both employment and unemployment rates.</p>	<p>The employment rate (total employed as a proportion of the working-age population) for 2017 sits at 66.5 per cent for New Plymouth District and 65.6 per cent for Taranaki region. This is consistent with the employment rate for New Zealand which also sits at 66.7 per cent.</p> <p>The unemployment rate in New Plymouth was 4.7 per cent for 2017, this was down from the previous three years. New Plymouth unemployment rate was slightly lower than the national average at five per cent and Taranaki at 5.7 per cent.</p> <p>There is a medium level of uncertainty. Uncertainty arises as local economic growth and activity is driven by national and global economies and politics. If these factors change from projection then the assumption will not be borne out.</p> <p>An increase in employment is likely to positively benefit the districts population and the local economy. High employment results in higher household income and an increase in discretionary income. If lower employment rates eventuated then they are likely to result in a number of impacts on Council services. There may be rates affordability issues, which may impact on levels of service to respond to. There may also be increased use in some Council services - such as libraries and community facilities, and other services may have decreased use (or, at least, not forecast increases in use), such as in the commercial use of water and wastewater services.</p>

Significant Forecasting Assumptions

Assumption	Detail and Uncertainty																								
<p>Affordability of essential goods and services</p> <p>The affordability of essential goods and services will continue to be affected by the rate of inflation.</p>	<p>BERL inflation forecasts for CPI are used.</p> <table border="1" data-bbox="562 379 2018 464"> <thead> <tr> <th></th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> <th>2020/21</th> <th>2021/22</th> <th>2022/23</th> <th>2023/24</th> <th>2024/25</th> <th>2025/26</th> <th>2026/27</th> <th>2027/28</th> </tr> </thead> <tbody> <tr> <td>CPI</td> <td>1.8</td> <td>1.8</td> <td>1.6</td> <td>1.6</td> <td>1.7</td> <td>1.7</td> <td>1.8</td> <td>1.8</td> <td>1.9</td> <td>1.9</td> <td>2.0</td> </tr> </tbody> </table> <p>The average annual household income for New Plymouth in 2017 was \$87,600 this is lower than the national average of \$97,100.</p> <p>There is a medium level of uncertainty. Uncertainty arises from national macroeconomic conditions and policy. If these factors change from projection then the assumption will not be borne out.</p> <p>If current trends in inflation and incomes continue over the life of the LTP, affordability of essential goods and services are unlikely to be negatively impacted, although rises in interest rates will have negative effects on affordability for those households with mortgages. Affordability of essential goods and services is likely to be a significant issue for those households on lower incomes, including those living on less than \$30,000. Inflationary increases will exacerbate this. A significant increase in prices for essential goods and services without a corresponding increase in incomes would place financial pressure on individuals and households and would have a negative impact on affordability.</p> <p>Inflation and wages are influenced by a number of factors, including the national and international economies. While the current trend is for wages to increase in line with inflation, this could change over the course of the LTP.</p> <p>CPI is a factor that influences the Local Government Cost Index. A higher or lower CPI is likely to have some impact on the LGCI. CPI is also often used as a comparison tool for rates. A lower than forecast CPI, without a corresponding decrease in the LGCI, may result in an increased difference between rates and other prices. This could result in increased community concern about rates affordability. Similarly, if household income increases at a lower level then rates affordability issues are likely to become a concern in the community.</p>		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	CPI	1.8	1.8	1.6	1.6	1.7	1.7	1.8	1.8	1.9	1.9	2.0
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Significant Forecasting Assumptions

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<p>Affordability of housing</p> <p>Residential house prices will continue to grow at a slightly lower rate than the national average.</p>	<p>The average house price in New Plymouth increased by 9.1 per cent in the year to March 2017 in the last 12 months. The growth in New Plymouth was lower than the national average of 14.1 per cent.</p> <p><i>Average property values for New Plymouth and comparable New Zealand cities</i></p> <table border="1"> <thead> <tr> <th></th> <th>New Plymouth</th> <th>Taupo</th> <th>Napier</th> <th>Palmerston North</th> <th>Upper Hutt</th> <th>Nelson</th> </tr> </thead> <tbody> <tr> <td>March 2017</td> <td>\$418,057</td> <td>\$435,052</td> <td>\$422,945</td> <td>\$351,959</td> <td>\$442,379</td> <td>\$522,201</td> </tr> <tr> <td>March 2018</td> <td>\$441,101</td> <td>\$471,296</td> <td>\$497,562</td> <td>\$383,671</td> <td>\$482,846</td> <td>\$566,052</td> </tr> </tbody> </table> <p>Housing affordability is measured by comparing housing prices to income levels. The house prices:income ratio for New Plymouth and New Zealand indicates housing has been consistently more affordable for New Plymouth residents compared to the New Zealand average (including Auckland and Christchurch).</p> <p><i>Ratio Average Sale Price: Average Annual Household Income</i></p> <table border="1"> <thead> <tr> <th></th> <th>2009</th> <th>2010</th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>New Plymouth</td> <td>4.09</td> <td>4.24</td> <td>4.14</td> <td>3.81</td> <td>3.85</td> <td>3.87</td> <td>3.79</td> <td>4.53</td> <td>4.77</td> </tr> <tr> <td>New Zealand</td> <td>4.94</td> <td>5.14</td> <td>5.00</td> <td>5.01</td> <td>5.19</td> <td>5.36</td> <td>5.76</td> <td>5.95</td> <td>6.50</td> </tr> </tbody> </table> <p>There is a medium level of uncertainty. Uncertainty arises from the property market, particularly the flow-on effects of national house price growth and government policy to limit house price growth. If these factors change from projection then the assumption will not be borne out.</p> <p>Growth in average household income, along with growth in house prices and any rise in interest rates will jointly determine whether housing affordability becomes an issues within the district. Availability of housing will also drive housing prices and this could affect housing affordability. Rising interest rates would also have negative impacts for housing affordability. Increasing house prices may see an increase in demand for rental properties and affect the availability of affordable rental accommodation. Housing affordability may have impacts on the Council’s planning for new developments and the delivery of social housing services. It may also deter people from moving to the region.</p>		New Plymouth	Taupo	Napier	Palmerston North	Upper Hutt	Nelson	March 2017	\$418,057	\$435,052	\$422,945	\$351,959	\$442,379	\$522,201	March 2018	\$441,101	\$471,296	\$497,562	\$383,671	\$482,846	\$566,052		2009	2010	2011	2012	2013	2014	2015	2016	2017	New Plymouth	4.09	4.24	4.14	3.81	3.85	3.87	3.79	4.53	4.77	New Zealand	4.94	5.14	5.00	5.01	5.19	5.36	5.76	5.95	6.50
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Significant Forecasting Assumptions

Assumption	Detail and Uncertainty																												
<p>Rate of new residential development</p> <p>The rate of new dwellings in the district will reflect population growth rates with 387 houses built per annum in the first five years of the Plan and 353 houses per annum in the following five years. Our planning provides infrastructure and land supply for an additional 20 per cent over-capacity.</p>	<p>Using the forecast population rate, and an average of 2.6 people per occupied dwelling with a 7.5 per cent unoccupied dwelling level, we have assessed the number of houses needed to be built annually to keep pace with population growth. The National Policy Statement on Urban Development Capacity then requires the Council to provide the necessary infrastructure for this level of demand plus an additional over-capacity buffer.</p> <table border="1"> <thead> <tr> <th></th> <th>2018-2023</th> <th>2023-2028</th> <th>2028-2033</th> <th>2033-2038</th> <th>2038-2043</th> <th>2043-2048</th> </tr> </thead> <tbody> <tr> <td>Houses required to be delivered annually</td> <td>387</td> <td>353</td> <td>321</td> <td>288</td> <td>263</td> <td>255</td> </tr> <tr> <td>Annual land supply capacity required</td> <td>464</td> <td>424</td> <td>369</td> <td>331</td> <td>303</td> <td>293</td> </tr> <tr> <td>Difference</td> <td>77</td> <td>71</td> <td>48</td> <td>43</td> <td>40</td> <td>38</td> </tr> </tbody> </table> <p>There is a medium level of uncertainty. Uncertainty arises from the uncertainty around population growth rates, as well as from household formation and housing trends. If these factors change from projection then the assumption will not be borne out.</p> <p>The rate of new dwellings is a significant factor in ensuring the district has enough housing and sufficient housing options to meet demand. Given the forecast population growth it is anticipated that the predicted rate of new dwellings will be sufficient to meet demand. There is also opportunity for infill development that provides additional housing choices.</p> <p>Residential development increases pressure on the capacity of the Council's infrastructure (roads, sewers, stormwater, water and open space) and service delivery and can result in the need to upgrade existing and/or develop new infrastructure and services.</p> <p>Development and financial contributions need to be set at the appropriate levels to ensure that the costs of growth are paid for by those who create the demand for the additional infrastructure and services.</p> <p>If dwellings growth exceeds these projections, the Council may need to invest in additional urban growth infrastructure and this will impact capital budgets and revenue. However, if growth exceeds forecasts by less than the 20 per cent over-capacity requirements of the National Policy Statement on Urban Development Capacity then there will not be a short-term requirement to increase land supply and infrastructure, although there will still be a medium and long-term impact.</p> <p>The mandatory requirement of the National Policy Statement on Urban Development Capacity to provide for 20 per cent over-capacity is highly likely to lead to un-utilised, or under-utilised, infrastructure provision.</p> <p>There is also a risk that forecast household growth does not occur, or occurs at a slower rate. This would mean that the Council has over-invested in growth infrastructure and it remains unused. As the cost of growth assets are generally recovered through development contributions, the Council would bear the debt for capital expenditure until those growth areas were utilised. At present, development contributions are forecast to be between \$2.1m to \$4.4m per annum over the 10 year horizon. A lower rate of development would have a proportionate impact on the rate of development contributions being received.</p>		2018-2023	2023-2028	2028-2033	2033-2038	2038-2043	2043-2048	Houses required to be delivered annually	387	353	321	288	263	255	Annual land supply capacity required	464	424	369	331	303	293	Difference	77	71	48	43	40	38
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Significant Forecasting Assumptions

Assumption	Detail and Uncertainty
<p>Tourism</p> <p>Tourist guest nights will increase by 4.9 per cent per annum.</p>	<p>The Ministry of Business, Innovation and Employment have released national forecasts for tourism growth of 4.8 per cent increase in visitor numbers and a 4.9 per cent increase in visitor days per annum for 2017 to 2023. The Council assumes that the district will have tourism rates growing at the same as the national average for the life of the LTP. Total guest nights will grow from 497,360 in 2016/17 to 841,785 by 2027/28.</p> <p>There is a high level of uncertainty. Uncertainty arises from national and global economies and the ability to attract tourists to New Plymouth District. If these factors change from projection then the assumption will not be borne out.</p> <p>The growth in overall guest nights to the district is likely to have some impact on the Council and the community. It is likely that an increase in visits will lead to an increase in use of some Council facilities such as the Puke Ariki, Govett-Brewster Art Gallery/Len Lye Centre, Aquatics Centre, the Coastal Walkway, parks, public toilets and certain roads (particularly coastal roads and around Egmont National Park).</p> <p><i>Tapuae Roa: Make Way for Taranaki</i> (the Taranaki Regional Economic Development Strategy) includes the visitor sector as one of its four key sectors for acceleration. The Taranaki Visitor Sector Action Plan targets a 7.5 per cent growth in regional visitor numbers. There is a risk that the acceleration results in significant increases in visitor stay-nights that place additional pressure on Council services and infrastructure above those forecast, potentially leading to increased cost for the Council. However, the Council would be able to determine how it responds, including choosing to not alter service provision. The Council may also receive more revenue, such as at Puke Ariki and Govett-Brewster Art Gallery/Len Lye Centre. Overall, the Council estimates that the additional revenue would be larger than any necessary additional expenditure. Under such a scenario, rates could be 0.4 per cent lower than forecast by year 10 of this Plan.</p> <p>A lower growth rate could also occur. The average annual change over the past five years is 1.7 per cent per annum (with variations from dropping five per cent to growing seven per cent). If that happens, visitor numbers would still increase, but would be considerably slower. While this scenario is considered unlikely given the considerable opportunities and investment, it may occur. This could mean some investment is under-utilised (such as in public toilets), although the impact is likely to be less than at a rate exceeding the assumption. The Council may also receive less revenue, such as at Puke Ariki and Govett-Brewster Art Gallery/Len Lye Centre. Under this scenario, the Council estimates that rates could be 0.7 per cent higher than forecast by year 10 of this Plan.</p>

Significant Forecasting Assumptions

Assumption	Detail and Uncertainty
<p>Climate change, climate hazards and extremes</p> <p>The most significant impacts from climate change, climate hazards and climate extremes will not have occurred by 2028.</p>	<p>New Plymouth District will, over time, experience more impacts from climate change, climate hazards and climate extremes. However, it is not expected that the most significant changes to the climate, hazard rates or extremes will occur over the life of the LTP. Instead, the LTP (and particularly the Infrastructure Strategy) will need to lay the foundations for preparations to address the potential climate change impacts in the future, while addressing some aspects of climate changes.</p> <p>The main forecasts for climate change are:</p> <ul style="list-style-type: none"> • By 2040 the average temperature is forecast to be 0.7°C to 1.1°C warmer than 1995. By 2090 the average temperature is forecast to be 0.7°C to 3.1°C warmer than 1995, with five to 41 extra days per year where the maximum temperature exceeds 25°C. In terms of an assumption for the purposes of High Intensity Rainfall Design System (HIRDS) analysis a temperature increase of 2.1°C by 2090 is used. • Winter rainfall is expected to increase by five to nine per cent by 2090. • The number of extreme wind and storm events is not expected to vary significantly, but there may be changes in their direction and intensity by 2090. • The sea level is expected to have risen by 0.5 metres by 2090. <p>The impacts of climate change are likely to impact the district in a variety of ways. The Infrastructure Strategy and subsequent Asset Management Plans now place more emphasis on climate change adaptation and preparedness. The key climate change risks are:</p> <ul style="list-style-type: none"> • Coastal Hazards. Within the next 10 years there could be increased risk to coastal properties, roads and infrastructure from coastal erosion and storm inundation. The Council has commissioned Tonkin and Taylor to assess the likely coastal hazard and inundation in the district. This work has demonstrated that while the entire coast is at risk from coastal erosion, there are only small, discrete areas of developed low-lying coastal land at risk from inundation, being Waitara, Puke Ariki landing, Ōākura and low-lying areas around river mouths. • Flooding. With increasing rainfall intensity it is likely that increased flooding will occur in some areas. A series of stormwater catchment management plans is programmed for development within the next three years which will analyse the district's stormwater catchments, taking into consideration the most up to date climate change data when drawing conclusions that will inform resilient land use decisions. The significant stormwater projects budgeted for over the next 10 years have taken account of the latest rainfall projections from NIWA. Over the next 10 years the Council is also investing in wastewater pump station overflow prevention in order to minimise the likelihood that sewer overflows occur during storm events. • Drought. With increasing water demand and the increasing likelihood of extended dry periods during summer months, the district is at risk of not meeting water supply levels of service at certain times of year. The Council is taking proactive steps to reduce the district's water use. <p>There is a medium level of uncertainty for the life of this LTP. Uncertainty arises as overall climate change does not directly correlate to year-to-year climate conditions or particular weather events. If these factors change from projection then the assumption will not be borne out.</p>

Significant Forecasting Assumptions

Assumption	Detail and Uncertainty
	<p>There is significant uncertainty in the long-term implications of climate change. However, it is unlikely that any of the investment undertaken in the LTP will be an over-investment in the long-term. There is risk that climate hazards occur earlier than current forecasts meaning, for instance, that stormwater asset capacity has not been increased early enough despite the increased investment in new stormwater assets capacity and increased capacity at the time of renewal of existing assets. This will result in infrastructure failure (whether temporary or permanent), requiring additional resource and financing.</p> <p>The LTP includes significant investment in resilience in water and waste water infrastructure. This work will lower the longer-term risk for water operations.</p>
<p>Existing and future resource consents</p> <p>All resource consents required for the operations of Council services will be obtained or renewed when required.</p>	<p>The Council is legislatively required to obtain resource consents for various activities that it undertakes in the district, including:</p> <ul style="list-style-type: none"> • Okato WTP abstraction consent expires 2019. • NP WWTP discharge of leachate from sludge lagoon to groundwater in the vicinity of the Waiwhakaiho River expires 2020. • To place and maintain Te Henui rising main under Waiwhakaiho expires 2020. • Ōākura WTP bore water abstraction consent expires 2020. • NP WTP abstraction consent - renewed until 2021. • Inglewood WTP abstraction consents expire 2021. • To place and maintain Waitara outfall pipe expires 2021. • Contingency disposal of sludge to land and air expires 2022. • NP WWTP discharge to air expires 2026. • Colson Road (regional) Landfill consent expires 2026, it is anticipated this landfill will close around 2019. A regional landfill is being constructed in Eltham. • Inglewood oxidation pond intermittent discharge to the Kurapete Stream renewed until 2033. • NP WWTP discharge consent - renewed until 2041. <p>Some new projects will also require resource consents, and these are assessed as part of the delivery of each project.</p> <p>There is a low level of uncertainty. Uncertainty arises from the potential for changes to the Council's District Plan and changes to Taranaki Regional Council's regional plans. If these factors change from projection then the assumption will not be borne out.</p> <p>The Council's services, including current and future developments, would be affected by not obtaining any relevant resource consents. This could ultimately lead to discontinuance in service delivery until consent is obtained.</p> <p>The Council will continue to work closely with the Taranaki Regional Council to ensure all existing and future resource consents are renewed or obtained without any effect on the delivery of the Council's services.</p>

Significant Forecasting Assumptions

Assumption	Detail and Uncertainty
<p>Legislation changes</p> <p>Legislation changes will not have any significant effect on the Council.</p>	<p>There are a number of areas of potential reform:</p> <ul style="list-style-type: none"> • Current Bills before Parliament. A number of bills are currently before Parliament that may have minor implications for the Council. This includes the Local Government (Community Well-being) Amendment Bill and the Health (Fluoridation of Drinking Water) Amendment Bill. • Reform of the Resource Management Act (RMA) and planning framework. The Productivity Commission has also identified the inter-relationship between the RMA 1991, the Land Transport Management Act 2003 and the Local Government Act 2002 as requiring change, including that the RMA should be split into urban and non-urban legislation. • Low carbon future. The Government has signalled the introduction of a “Zero Carbon Bill” and the Productivity Commission has released a draft report on transitioning to a low-emissions economy. The Productivity Commission’s draft report outlines potential implications for local government, if the Government implements those recommendations. Similarly the Zero Carbon Bill may have implications for local government. • Drinking water reforms. There are a number of reviews around drinking water, including the Government’s signalled response to the Havelock North Drinking Water Inquiry report. The Council considers it likely that most of the report’s recommendations will be implemented. The removal of the secure bore status will impact on the Council’s Ōākura Water Treatment Plant. The Long-Term Plan therefore includes provision to upgrade the Ōākura Water Treatment Plant to reflect these changes. The Inquiry’s report did not recommend any increased Drinking Water Standards that would impact on the Council’s three other Water Treatment Plants (New Plymouth, Okato and Inglewood), however there is a small risk that this occurs as part of the Government’s response to the Inquiry (or at some other time). The LTP does not include upgrades to reflect any increased standards to these three Water Treatment Plants. • Freshwater reforms. It is also likely that significant reform will occur around freshwater standards. The LTP includes proposed investments in wastewater pump station overflow preventions and elimination of the emergency use of the Waitara Marine Outfall. It is unclear whether any reform will impact on any other aspect of the Council’s service delivery approach. • Infrastructure funding. The Government has signalled that it will introduce voluntary special purpose vehicles for infrastructure provision. This may require legislative change to implement. This could provide an alternative source for funding growth infrastructure for some growth areas. <p>There is a medium level of uncertainty. Uncertainty arises from national politics. If these factors change from projection then the assumption will not be borne out.</p> <p>Changes to legislation could have implications for the structure of the Council, what services it delivers, the processes and procedures that are used to deliver the services, and the accountability associated with services. There could be significant cost implications.</p>

Significant Forecasting Assumptions

Assumption	Detail and Uncertainty
<p>Central Landfill</p> <p>The Council will own and operate the new Central Landfill under a Joint Committee.</p>	<p>The Council will own and operate the new Central Landfill in Eltham as Administering Authority. A Joint Committee has been established between the three Taranaki territorial authorities. The Council will invest \$10m in capital expenditure in 2018/19 (funded from restricted reserves) for the Central Landfill.</p> <p>There is a medium level of uncertainty. Uncertainty arises from the consideration of alternatives to establishing the Central Landfill. If this factor changes from projection then the assumption will not be borne out.</p> <p>The Council is working with the other regional territorial authorities on the Central Landfill. There are other alternatives to establishing the Central Landfill. As part of responsible management before significant investments, a review is being undertaken to ensure the approach of developing the Central Landfill is prudent and in the best long-term interests of the community. The decision to proceed with the establishment of the Central Landfill or to use an alternative option will be based on commercial decisions and terms.</p> <p>All three territorial authorities have contributed a combined total of \$16.1m towards the Central Landfill development, held in the Council's restricted reserves. Approximately \$6m has been spent in 2017/18. If the decision was made not to invest in the Central Landfill then the remaining \$10.1m funds held in the Council's restricted reserve would become surplus to requirements. The Council would reimburse the other territorial authorities their 33.6 per cent contribution of approx. \$3.4m. The Council could use its remaining \$6.7m contribution for other waste management and minimisation activities.</p>

Significant Forecasting Assumptions

Assumption	Detail and Uncertainty																																																							
<p>The effects of inflation on the Council's services</p> <p>The annual cost of Council services will continue to increase at between 1.8 per cent and 2.6 per cent.</p>	<p>The Local Government Cost Index (LGCI) measures cost drivers specific to local government (e.g. concrete, reinforcing steel, bitumen, roading chip, building materials, energy and wages etc.) which differs significantly from the inflation pressures affecting households as measure by the CPI. BERL provide local authorities with their view of forecast inflation on key cost drivers. Their measure of inflation is forecast at 1.8 per cent to 2.6 per cent. The Council will need to ensure that the community is well informed about the cost drivers affecting service delivery. The Council's approach is to adopt BERL data and apply a percentage change on year prior values. Note that for year one the model has used half the inflation increase.</p> <table border="1"> <thead> <tr> <th></th> <th>2018/19</th> <th>2019/20</th> <th>2020/21</th> <th>2021/22</th> <th>2022/23</th> <th>2023/24</th> <th>2024/25</th> <th>2025/26</th> <th>2026/27</th> <th>2027/28</th> </tr> </thead> <tbody> <tr> <td>LGCI - Operating Expenditure</td> <td>1.8</td> <td>2</td> <td>2.2</td> <td>2.2</td> <td>2.2</td> <td>2.3</td> <td>2.3</td> <td>2.4</td> <td>2.5</td> <td>2.5</td> </tr> <tr> <td>LGCI - Capital Expenditure</td> <td>1.8</td> <td>2</td> <td>2.2</td> <td>2.2</td> <td>2.2</td> <td>2.3</td> <td>2.4</td> <td>2.4</td> <td>2.5</td> <td>2.6</td> </tr> <tr> <td>LGCI - Total</td> <td>1.8</td> <td>2</td> <td>2.2</td> <td>2.2</td> <td>2.2</td> <td>2.3</td> <td>2.3</td> <td>2.4</td> <td>2.5</td> <td>2.6</td> </tr> <tr> <td>CPI</td> <td>1.8</td> <td>1.8</td> <td>1.6</td> <td>1.6</td> <td>1.7</td> <td>1.7</td> <td>1.8</td> <td>1.8</td> <td>1.9</td> <td>1.9</td> </tr> </tbody> </table> <p>The Council has also made specific assumptions about inflation for total staff costs (two per cent per annum), gas and electricity increases (three per cent per annum), and the rates payable on Council property (3.5 per cent per annum).</p> <p>There is a low level of uncertainty. Uncertainty arises from external price inflation. If these factors change from projection then the assumption will not be borne out.</p> <p>Forecast inflation will impact on the ability of the Council to deliver on its service levels and impacts future budgets. The Council will need to ensure that the community is well informed about the cost drivers affecting service delivery.</p> <p>A higher or lower LGCI than forecast is likely to have impacts on Council budgets. A higher rate of inflation will require either increased budgets (and therefore rates increases) or adjustments to levels of service. A lower rate of inflation will either reduce budgets (and therefore rates increases) or enable increased levels of service within existing budgets.</p>		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	LGCI - Operating Expenditure	1.8	2	2.2	2.2	2.2	2.3	2.3	2.4	2.5	2.5	LGCI - Capital Expenditure	1.8	2	2.2	2.2	2.2	2.3	2.4	2.4	2.5	2.6	LGCI - Total	1.8	2	2.2	2.2	2.2	2.3	2.3	2.4	2.5	2.6	CPI	1.8	1.8	1.6	1.6	1.7	1.7	1.8	1.8	1.9	1.9
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28																																														
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CPI	1.8	1.8	1.6	1.6	1.7	1.7	1.8	1.8	1.9	1.9																																														
<p>Revaluation of assets</p> <p>The fair value of assets that are revalued will increase in line with inflation.</p>	<p>The revaluation of assets will result in book values that rise in line with inflation. The Council last revalued its land, building and infrastructure assets in 2016, revaluations are expected in 2019, 2022 and 2025 (every three years). Forestry assets are revalued annually.</p> <p>The Council assets deliver services to the community and hold a 'value in use'. The Council's significant assets are long life assets, any reassessment of current replacement costs are used to determine the cost of the asset renewal programme as outlined in the respective Asset Management Plans. This in turn means Council will need to make an increased budgetary provision through general rates for renewal funding.</p>																																																							

Significant Forecasting Assumptions

Assumption	Detail and Uncertainty																
	<p>There is a low level of uncertainty. Uncertainty arises from replacement costs. If these factors change from projection then the assumption will not be borne out.</p> <p>There is a risk that assets are revalued at a lower or higher amount than inflation. Any substantive change in asset revaluation may result in an increase or decrease in the cost of the asset renewal programme.</p>																
<p>Useful lives of significant assets</p> <p>The actual lives of significant assets are in line with expected useful lives.</p>	<p>Assets are expected to have a lifespan as set in depreciation policy in the Statement of Accounting Policies.</p> <table border="1" data-bbox="636 539 2049 619"> <thead> <tr> <th data-bbox="636 539 770 576">Asset Class</th> <th data-bbox="770 539 949 576">Roads</th> <th data-bbox="949 539 1128 576">Laboratory</th> <th data-bbox="1128 539 1308 576">Solid Waste</th> <th data-bbox="1308 539 1487 576">Stormwater</th> <th data-bbox="1487 539 1666 576">Flood Protection</th> <th data-bbox="1666 539 1845 576">Water</th> <th data-bbox="1845 539 2049 576">Wastewater</th> </tr> </thead> <tbody> <tr> <td data-bbox="636 576 770 619">Years</td> <td data-bbox="770 576 949 619">5-100</td> <td data-bbox="949 576 1128 619">8-30</td> <td data-bbox="1128 576 1308 619">35-100</td> <td data-bbox="1308 576 1487 619">50-140</td> <td data-bbox="1487 576 1666 619">50-200</td> <td data-bbox="1666 576 1845 619">10-120</td> <td data-bbox="1845 576 2049 619">10-140</td> </tr> </tbody> </table> <p>There is a low level of uncertainty. Uncertainty arises from asset condition and whether assets receive more or less use than anticipated. If these factors change from projection then the assumption will not be borne out.</p> <p>Where actual lives differ (favourably or unfavourably) from expected useful lives this influences the asset renewals and maintenance programme. Assets that have longer lives than assumed will either result in savings through later replacement or may still be replaced at the time set out (e.g. if it is difficult to determine the state of the asset until replacement, such as for underground assets). Assets that have shorter lives than assumed may either result in reduced levels of service or require replacement earlier than expected, potentially before the asset is fully depreciated. The Council has, and continues to develop, appropriate asset management plans together with regular inspection, maintenance and management practices to manage these risks.</p>	Asset Class	Roads	Laboratory	Solid Waste	Stormwater	Flood Protection	Water	Wastewater	Years	5-100	8-30	35-100	50-140	50-200	10-120	10-140
Asset Class	Roads	Laboratory	Solid Waste	Stormwater	Flood Protection	Water	Wastewater										
Years	5-100	8-30	35-100	50-140	50-200	10-120	10-140										
<p>Vesting of new assets in the Council</p> <p>Council estimates the vesting of approximately \$4m of assets per annum (figure as of year one, adjusted for inflation in future years).</p>	<p>This assumption is a conservative long run average.</p> <p>There is a low level of uncertainty. Uncertainty arises from variability in subdivision activity that results in asset vesting. If these factors change from projection then the assumption will not be borne out.</p> <p>Asset vested with the Council increases the need for infrastructure renewal funding and also has additional funding implications for operating costs.</p> <p>The Council is aware of likely future levels of vested assets through the resource consent process. The standard of assets proposed to be vested must meet the Council's requirements for materials, construction techniques and quality. Any assets vested as the result of development will have minimal impact on the Council's asset base as the district's rate base increases with population growth.</p> <p>Any significant increase in vested assets will increase the Council's asset base. However, it is unlikely to have any significant impact on the Council's financial positions or levels of service. This is because an increase in vested assets would likely reflect additional development and therefore an increase rate base.</p> <p>A decrease in vested assets will mean the Council's asset base will not grow as quickly. This will not be significant in terms of impacting on the Council's debt-to-asset ratio so should not impact on the ability to borrow. It is, however, likely to reflect a downturn in development.</p>																

Significant Forecasting Assumptions

Assumption	Detail and Uncertainty
<p>Sources of funds for future replacement of significant assets</p> <p>The Council will fund the replacement of significant assets in line with the Revenue and Financing Policy and Financial Strategy.</p>	<p>The Revenue and Financing Policy sets out how assets will be funded for different activities. Funding for the renewal of infrastructural assets is calculated on a Long Range Average Renewals Approach (LRARA). There is a low level of uncertainty. Uncertainty arises from sources of funding not being available at the time of an assets replacement. If these factors change from projection then the assumption will not be borne out.</p> <p>There is a risk that a funding source is not available to fund the replacement of any given asset at the time of its replacement. Section 80 of the Local Government Act 2002 sets out the process for the Council to make a decision that is significantly inconsistent with a policy. This process could be used at that time.</p>
<p>External funding support</p> <p>NZTA funding to maintain and renew roads and associated assets will remain at current levels. Government funding in other areas and other external funding will remain at current levels.</p>	<p>External funders provide operational and capital funding support to enable the Council to maintain and/or enhance level of service delivery. NZTA provides a significant level of subsidy for roading operations and maintenance as well as capital renewals and augmentation (51 per cent to 100 per cent of eligible works). The NZTA Financial Assistance Rate (FAR) has been reviewed and is currently set at 51 per cent. In addition, other government funding agencies provide funding support to enable the Council to deliver on its service levels. These include funding sources such as the Department of Internal Affairs (soldiers' grave sites) and the Ministry for Culture and Heritage (Arts Grants). Details of this funding is set out in the relevant Activity Management Plans. Further funding is provided by external parties for events, exhibitions and capital projects.</p> <p>There is a medium level of uncertainty. Uncertainty arises from changes to Government and other external funders' priorities changing. If these factors change from projection then the assumption will not be borne out.</p> <p>Any reduction in funding support will impact on service levels and the long-term custodianship of our roading assets in particular. Less funding from NZTA will have an impact on the district's roading work programme. Projects will either have to be deferred or the Council will need to provide extra funding through rates to counter reduced support from NZTA. An increase in the range and type of subsidies and funding support may require increased funding input from the Council.</p>

Significant Forecasting Assumptions

Assumption	Detail and Uncertainty
<p>Rating remissions</p> <p>Rates remissions are estimated at \$0.67m in year one and increase at 3.5 per cent per annum.</p>	<p>Rates remissions will continue to apply at the current level, with an increase of 3.5 per cent per annum.</p> <p>There is a medium level of uncertainty. Uncertainty arises from potential changes to the remission policies and changes to who qualifies as a result of other changes. If these factors change from projection then the assumption will not be borne out.</p> <p>The District Plan review is assessing further properties to provide regulatory controls for which the Council currently provides a remission. The outcome of the District Plan review is unknown, as there are statutory processes (including public submissions and appeal processes). The remission estimate is based on the current operative District Plan, and a review of the remission policy may be required when the new District Plan is operative.</p> <p>Any change in legislation or the Council's remissions policy will have an impact on the level of rating remissions. A higher level of remission will be met through other ratepayers paying higher rates, or may cause a review of the remission policies. A lower remission level will provide a savings and reduce the rates required.</p>
<p>Forecast return on investments</p> <p>The Perpetual Investment Fund will release 3.3 per cent of its value per annum (after inflation and management fees and costs), with a rate of return of 5.3 per cent per annum.</p>	<p>The Council has significant external investments in the Council's PIF. The PIF is managed by a Full Outsourced Agent, (FOA), Mercer New Zealand Limited. The FOA is reviewed and monitored by the New Plymouth PIF Guardians Limited (NPG). Annual releases from the PIF contribute significantly to reducing the annual rates requirement.</p> <p>The PIF release is required to fund management fees and costs, with an amount to offset rates based on a flat 3.3 per cent of the value of the fund after inflation and including fees and costs. The PIF will release 3.4 to 3.6 per cent per annum gross of management fees and costs. The PIF's rate of return is expected to be 5.3 per cent per annum. This assumption is based on advice from NPG. It is based on a long-term view of returns so the 10 year return may differ from the average.</p> <p>There is a medium level of uncertainty. Uncertainty arises from the rate of return in market investments. If these factors change from projection then the assumption will not be borne out.</p> <p>If the average annual earnings rate of the PIF is less than forecasted and the value of the PIF decreases, this will reduce the release and may impact on the Council's current Financial Strategy. This could have an impact on the rates requirement or adjustments to the levels of service provided to the community.</p>

Significant Forecasting Assumptions

Assumption	Detail and Uncertainty
<p>Development contributions</p> <p>The Council will receive between \$2.1m and \$4.4m per annum in development contributions.</p>	<p>Residential development growth is forecast at 387 new dwellings each year for the first five years and 353 new dwellings per annum for the second five years. Non-residential growth is forecast to grow at an average rate of 200 HUE (household unit equivalent) per annum for the first five years and 182 HUE per annum for the second five years. This is at the rate development contributions are expected to be collected at. However, the timing of development contribution receipts is outside the Council's control.</p> <p>Development contribution requirements are assessed according to the number of dwellings and HUE the relevant capital project(s) cater for and then applied to each dwelling and HUE as they are developed. The Council records growth-related capital expenditure as being fully funded by borrowings and applies development contributions when received.</p> <p>There is a medium level of uncertainty. Uncertainty arises from the rate of residential and non-residential development. If these factors change from projection then the assumption will not be borne out.</p> <p>As development and financial contributions are actually received they will be netted off any borrowing made for that purpose. A slower rate of development will result in a lower level of development contributions being received. This will result in increased debt, which in turn may result in higher costs to borrow and reduced forward capacity to borrow. A faster rate of development will result in a higher level of development contributions being received. This will reduce borrowings, which in turn may reduce costs of borrowing and provide greater capacity to borrow in the future.</p> <p>The Government has introduced a Bill that would, if enacted, enable the Council to charge development contributions for a wider range of public amenities, so long as there is a nexus to growth. If enacted, the Council will need to consider whether to amend the Development Contributions Policy. This may result in higher development contribution charges, and therefore increase the returns. This will reduce borrowing, which in turn may reduce borrowing costs and provide greater capacity to borrow in the future.</p>

Significant Forecasting Assumptions

Assumption	Detail and Uncertainty												
<p>Borrowing and interest rates</p> <p>Interest rates for cash investments will be between two and three per cent, and borrowing interest rates will be between 5.25 and six per cent. Lenders will continue to meet the Council's requirements for loan funding (redemption and new).</p>	<p>Interest rates are assumed at the following levels.</p> <table border="1" data-bbox="633 376 2033 491"> <thead> <tr> <th>Item</th> <th>Cash Investment</th> <th>Term Deposit Investment</th> <th>Airport Loan</th> <th>General Borrowing</th> <th>VTR Scheme</th> </tr> </thead> <tbody> <tr> <td>Interest rate</td> <td>2.00%</td> <td>3.00%</td> <td>6.00-6.75%</td> <td>5.25-6.00%</td> <td>7.00%</td> </tr> </tbody> </table> <p>Borrowings are repaid over a 20 to 30 year time frame.</p> <p>Overall interest rate and funding strategies are managed within the parameters of the Treasury Management Policy. Interest rate swaps are also used, as per the Treasury Management Policy. The Liability Management Policy is reviewed as part of the LTP process every three years.</p> <p>There is a low level of uncertainty. Uncertainty arises from obtaining lending from the market. If these factors change from projection then the assumption will not be borne out.</p> <p>The Council actively seeks to receive more favourable interest rates. Achieving more favourable interest rates enables the Council to lower its borrowing costs, which enable the Council to either pay off debt faster or to reduce debt repayment costs. There is unlikely to be any adverse implications in the plan resulting from funding or interest rate risk. However, if economic conditions result in increases in interest rates that are unable to be hedged, such cost increases may impact on the Council's overall budget position and ability to maintain service levels without an increase in rates income. With the establishment of the Local Government Funding Authority (LGFA), there will be very minimal risk of the Council not being able to borrow the funds it requires.</p>	Item	Cash Investment	Term Deposit Investment	Airport Loan	General Borrowing	VTR Scheme	Interest rate	2.00%	3.00%	6.00-6.75%	5.25-6.00%	7.00%
Item	Cash Investment	Term Deposit Investment	Airport Loan	General Borrowing	VTR Scheme								
Interest rate	2.00%	3.00%	6.00-6.75%	5.25-6.00%	7.00%								
<p>Asset sales</p> <p>The Council will be able to achieve the proposed asset sale schedule and will achieve the forecast return. There will be no other asset sales other than those agreed to in the LTP.</p>	<p>The Council has proposed selling a surplus, redundant and under-utilised property in the LTP. The LTP has included income from these sales in the financial plan.</p> <p>The sale of surplus land is expected to generate \$5m from sales across years one to five of the LTP.</p> <p>Other than any property identified in the LTP and for some minor surplus operating assets, no other major or surplus asset sales are planned.</p> <p>There is a medium level of uncertainty. Uncertainty arises from statutory consultation and control to revoke reserve status and the sale of properties on an open market. If these factors change from projection then the assumption will not be borne out.</p>												

Significant Forecasting Assumptions

Assumption	Detail and Uncertainty
	<p>A number of the properties proposed to be sold are subject to the Reserves Act 1977 which sets out a statutory process for the revocation of reserve status. The process requires the Minister of Conservation to agree to the revocation of reserve status. Assets not subject to reserve status may, however, be subject to section 138 of the Local Government Act 2002 which requires any park land (which is broadly defined) to be subject to consultation. These statutory processes mean that there is a risk that the proposed assets sales are not disposed of.</p> <p>There is a risk that asset sales achieve a lower return than forecast. This could be due to lower prices in selling (e.g. as a result of a property market slowdown) or an inability to sell from statutory processes. If this occurs then the Council may choose to respond through not implementing future level of service investments, or funding those investments from debt. This is designed to minimise the impact of uncertainties.</p> <p>There is potential for the sales to achieve a higher return than forecast as well. This will enable the Council to make decisions to increase levels of service, lower rates or to repay debt.</p>
<p>Significant contingencies and commitments not budgeted for</p> <p>There will not be unforeseen events or circumstances that could impact the Council's finances and/or levels of service.</p>	<p>While there are always unexpected events that may have an impact on the Council's operations, the Council mitigates these through its risk mitigation strategies including in-depth insurance cover, established bank credit lines, and business continuity plans.</p> <p>Commitments and Contingencies that the Council is aware of include:</p> <ul style="list-style-type: none"> • Local Government Funding Agency (LGFA) <p>New Plymouth District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has a local currency rating from Fitch Ratings and Standard and Poor's of AA+ and a foreign currency rating of AA.</p> <p>New Plymouth District Council is one of 30 local authority shareholders and 10 local authority guarantors of the NZLGFA (in that regard it has uncalled capital of \$100,000). When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, New Plymouth District Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2017, NZLGFA had borrowings totalling \$7,865m (2016: \$6,820m).</p> <p>Financial reporting standards require New Plymouth District Council to recognise the guarantee liability at fair value; however, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:</p> <ul style="list-style-type: none"> - We are not aware of any local authority debt default events in New Zealand; and - Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Significant Forecasting Assumptions

Assumption	Detail and Uncertainty
	<ul style="list-style-type: none"> <li data-bbox="577 331 1122 357">• Local Authority Protection Programme (LAPP) The Council is a contributing member of LAPP, which was created to assist local authorities to fund the rebuild of mainly “below-ground” infrastructure in the event of a major disaster. Following the Christchurch earthquakes, the LAPP fund was significantly depleted. The fund had been rebuilt by member councils since then but has again been called on as a result of the Kaikoura earthquake. This has resulted in increased member contributions, but aside from rebuilding after that event the increase will also help to bolster the fund’s ability to smooth any future growth in contributions that come from changes required by central government because of the 60/40 review that is pending. <li data-bbox="577 595 792 620">• Yarrow Stadium The stands at Yarrow Stadium have been found to be earthquake prone and are not suitable for public use. Yarrow Stadium is operated through an agreement between New Plymouth District Council and Taranaki Regional Council. Under that agreement, Yarrow Stadium is owned by Taranaki Regional Council, which funds the facility’s maintenance and long-term development, and it is operated by New Plymouth District Council, which meets day-to-day staffing and operational costs. The agreement also enables Taranaki Regional Council to hand-back the ownership of Yarrow Stadium to New Plymouth District Council. The LTP assumes that Taranaki Regional Council will continue to own Yarrow Stadium and will undertake the necessary work to provide operational and safe stands. <li data-bbox="577 890 680 916">• Other The Council is not aware of any other additional contingencies or commitments not already covered by the prospective financial statements and/or Asset Management Plans. There is a low level of uncertainty. Uncertainty arises from these being externally driven events. If these factors change from projection then the assumption will not be borne out. The Council has planned appropriately for known potential commitments and has the necessary risk mitigation strategies in place to ensure any impact from unknown events can be managed without any undue impacts.

Significant Forecasting Assumptions

Assumption	Detail and Uncertainty
<p>Emissions Trading Scheme (ETS)</p> <p>Carbon Units purchased for the Central Landfill operations will be at a fixed price.</p>	<p>The Council, as operator of the Colson Road landfill, is required to surrender Carbon Units (Units) for estimated emissions under the ETS while the landfill continues to operate. The Council has purchased enough units to meet its obligations under current law until the closure of the Colson Road landfill in 2019. New units will need to be purchased for the Central Landfill at Eltham when operations begin in 2019.</p> <p>The Council does not propose to carry out any deforestation initiatives or activities during the life of this plan. The Council does not consider it has a contingent liability under this part of the ETS.</p> <p>There is a medium level of uncertainty. Uncertainty arises from having to purchase Units on the open market. If these factors change from projection then the assumption will not be borne out.</p> <p>The ETS is a market-based scheme. There is a risk of market volatility. The new Government may consider amending the ETS which could also impact requirements for Carbon Units and/or the price paid for Carbon Units. A higher price for Carbon Units would require increased expenditure. It is unlikely that the Council would be able to avoid such additional costs.</p>
<p>Level of service operating costs</p> <p>Operating costs will increase from level of service increases throughout the LTP.</p>	<p>The LTP includes detailed consideration of level of service increases for the first five years.</p> <p>It is assumed that there will be level of service increases in the second five years of the LTP for each of the 16 Council services. These level of service increases will be developed and consulted on in the future. The total is \$15.5m over all the activities.</p> <p>There is a medium level of uncertainty. Uncertainty arises from future Council decision-making processes. If these factors change from projection then the assumption will not be borne out.</p> <p>The LTP includes a broad indication of future operating costs for level of service increases. However, these increases have not been detailed, so costs may vary. Level of service increases that cost more than forecast will result in additional rates requirements or alternative funding sources. Similarly, a lower than forecast level of service increase or no changes, or a decrease in levels of service, may result in a lower rates requirement or additional revenue sources.</p>

To the reader

Independent auditor's report on New Plymouth District Council's Long-Term Plan 2018-2028

I am the Auditor General's appointed auditor for New Plymouth District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long term plan (the plan). Section 259C of the Act requires a report on disclosures made under certain regulations. We have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 27 June 2018.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
 - long term, integrated decision making and co ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 204 to 207 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;

Audit Opinion

- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

I am responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

Independence

In carrying out our work, we complied with the Auditor General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

In addition to this report on the Council's long term plan and all legally required external audits, we have provided an assurance report on certain matters in respect of the Council's Debenture Trust Deed. These assignments are compatible with those independence requirements. Other than these assignments, we have no relationship with or interests in the Council or any of its subsidiaries.



Clint Ramoo, Audit New Zealand

On behalf of the Auditor General, Wellington, New Zealand



