

**SOUTH TARANAKI** THE MOST  
**LIVEABLE**  
DISTRICT

**2021/22**

**Pūrongo ā tau  
Annual Report Summary**

# Introduction

## Mihi

Ko Taranaki kei runga.  
Ko Aotea, ko kurahaupo e urunga mai ki uta.  
Ko Turi, ko Ruatea ngā tūpuna,  
Tihei mauri tū ki runga!

Mai I Ōkurukuru ki Rāwa o Turi,  
Rāwa o Turi ki Waingōngoro  
Waingōngoro ki Whenuakura,  
Whenuakura ki Waitōtara.

Ko wai tērā, ko Taranaki ki te Tonga.

E ngā tini wairua, kua whetūrangihia, koutou e korowaitia ana te tauheke rā, ko Pukehaupapa, ko Pukeonaki, e moe. Haere I raro I te kahu kōrako ki Tua whakarere. Ki te kāinga o tāua te tangata.

Hoki atu rā koutou ki Hawaiki nui, Hawaiki roa, Hawaiki pāmamao.

Ki a tātou ngā uri o Tiki, ki ngā kanohe kitea. Tātou mā e kawea nei ngā kete matauranga o te ao tūroa, o te ao hurihuri. Tihei mouri ora.

Ko te kaupapa e anga atu nei, ko te Hōtaka o te wā, hei tirohanga ki mua mā tātou ki to Tonga. Kia whai nei I ngā wawata kia pākari ai te rohe.

Kāti rā, ki a koutou, ki a tātou, rire, rire Hau Pai marire!

*So stands Taranaki above  
Aotea and Kurahaupo are anchored ashore,  
Turi and Ruatea are our ancestors.  
So, we share the breath of life!*

*From Ōkurukuru to Rāwa o Turi,  
From Rāwa o Turi to Waingōngoro River,  
From the Waingōngoro to the Whenuakura River,  
From the Whenuakura to the Waitōtara River.*

*Who are we, South Taranaki.*

*To those spirits, who have passed beyond, you who cloak our mountain,  
Pukehaupapa, Pukeonake, rest in peace. Go beyond the veil with the  
protection of peace. To the ancestral home of us, the people.  
Return to Hawaiki nui, Hawaiki roa and Hawaiki pāmamao.*

*To those of us who remain, the descendants of Tiki, the living. We, the  
bearers of the baskets of knowledge from the past and present.  
So, the breath of life.*

*So, the focus for this is the Long Term Plan, to  
Look forward for us the people of South Taranaki.  
To achieve the hopes and dreams to enhance our region.  
In conclusion, to you and us all, Peace flow across us!*



## Contents

- 2** Mihi | **Introduction**
- 4** Te reo maioha ā te koromatua me te tumu whakahaere  
**Message from the Mayor and Chief Executive**
- 6** Ngā Kaikōwhiri | **Elected Members**
- 8** He arotakenga o te tau | **The Year in Review**
- 14** Ngā Manawareka me ngā Paearu Mahi  
**Other Highlights and Performance Measures**
- 24** Tirohanga Pūtea | **Financial Overview**
- 26** Tauākī Tūranga Pūtea | **Statement of Financial Position**
- 28** Āhuatanga Pūtea me ngā Nekehanga Moni  
**Financial Performance and Movements in Equity**
- 32** Parongo Kaitātari Kaute Motuhake | **Independent Audit Report**

### Introduction

Welcome to the South Taranaki District Council's 2021/22 Annual Report Summary. The purpose of this Summary is to provide an overview of the Council's activities over the last financial year (1 July 2021 to 30 June 2022) and identify any major differences to what the Council set out to do in its 2021/22 Annual Plan.

The Annual Report Summary shows how well the District's assets are being looked after and how well the Council is performing as an organisation. The information in this Summary has been taken from the audited Annual Report (which received a modified Audit Opinion) which was adopted by the Council on 12 December 2022. The Annual Report Summary does not provide as complete an understanding as the full Annual Report. For more detailed information covering all of the Council's activities please refer to the full Annual Report. Copies of the full Annual Report are available on request (phone 0800 111 323) for a copy to be sent out to you or you can view it on the Council website [www.southtaranaki.com](http://www.southtaranaki.com)

### Where does the Annual Report fit in?

Every council in New Zealand is required to prepare a Long Term Plan (with a ten year timeframe), as well as an Annual Plan and an Annual Report. These three documents form the essential guide to what Council does in any given year. The Long Term Plan and the Annual Plan set out what the Council plans to do, while the Annual Report states what the Council has actually done. The 2021/22 Annual Report reflects progress made in Year 1 of our 2021-2031 Long Term Plan.

Te reo maioha ā te koromatua me te tumu whakahaere

# Message from the Mayor and Chief Executive

Welcome to the South Taranaki District Council's (STDC) Annual Report 2021/22 where we look back on the last financial year (1 July 2021 to 30 June 2022) and report on how we performed against the objectives and priorities we set in our 2021/22 Annual Plan (Year 1 of our 2021-2031 Long Term Plan).

The Council's vision is to make South Taranaki the most liveable District. While the Covid 19 pandemic continued to impact the Council and community over spring 2021 – summer 2022 with lockdowns, facilities closures, sickness and staff shortages, STDC managed to keep all essential services running and was even able to complete 25% more capital works projects (\$28.4m) than in the previous year (\$23.2m).

The 12 months to the end of June 2022 saw positive progress made on a number of projects we undertook in order to achieve our vision.

## Key features/highlights of 2021/22:

Demolition work was completed and a contractor engaged for Te Ramanui o Ruapūtahanga the District's new Library, Culture and Arts Centre. Construction will start early in the 2022/2023 year and the facility is expected to open in April 2024.

Planning for the installation of three waters infrastructure in the South Taranaki Business Park was started with designs for Stage 1 of the water supply completed. Installation of the (Stage 1) water main started in July 2022.

Council partnered with Bizlink Hāwera (the Hāwera Business Association) to develop a business innovation and enterprise hub. Construction of the Hub was started with the scheduled opening date being 31 Jan 2023

Stage 1 of the new (8.2km) Nukumarū Station Road

extension project was about 80% completed. The remainder of Stage 1 will be completed in August 2022 with the final 2.2km of the project to be completed in the 2022/23 year.

While Covid affected implementation of our town centre master plans, some work was started (particularly in Waverley and Eltham) and plans are underway to begin specific projects in 2023.

The Normanby to Hāwera pathway (along Ketemarae and Glover Roads) was completed and in June 2022 Council signed a partnership agreement with Te Korowai o Ngāruahine Trust to investigate the feasibility and ongoing viability of establishing a combined multi-purpose, multi-use Iwi and community facility in Manaia.

The economic climate for the year was characterised by a high degree of uncertainty and large increases in inflation. A tight labour market, ongoing supply issues arising from Covid 19 and the global instability following the Russian invasion of Ukraine saw a significant rise in inflation and financial markets affected. This had an impact on us with increased costs (particularly in the construction sector) and negative returns on our Long Term Investment Fund (LTIF).

The impacts of climate change also continue to be felt, with severe storms causing considerable damage to our roading infrastructure, especially in the Tāngāhoe and Waitōtara Valleys, Mangamingi and in the Taranaki Coastal area. The total repair cost was around \$1.8 million.

However, despite revenue being \$1.06 million less than budgeted (mainly as a result of the unrealised losses on the LTIF) after unbudgeted adjustments we finished the year with a \$0.8 million surplus (against a budgeted surplus of \$6.1 million). After allowing for withdrawal of the annual rates subsidy and interest repayments for specific community projects, the value

Te reo maioha ā te koromatua me te tumu whakahaere

# Message from the Mayor and Chief Executive

of the LTIF at 30 June 2022 was \$143.5 million (\$159 million in 2021).

The total capital value of properties in South Taranaki rose by 20.4% over the last three years, to be worth \$13.9 billion according to the District-wide property rating valuation conducted by Quotable Value (QV) in September 2021. The largest increases were in the residential, lifestyle and commercial sectors with properties seeing an average of 86%, 45.8% and 40.7% increase in value respectively, while dairy and pastoral properties saw a small -0.1% decrease.

The residential construction sector continued to perform strongly during the year, as evidenced by the steady volume of resource and building consent applications.

Following a comprehensive representation review in April 2022 the Local Government Commission confirmed our District's new representation arrangements, which saw the introduction of two Māori wards, Te Kūrae and Te Tai Tonga, each with one councillor, and four general wards – Taranaki Coastal (two councillors), Eltham-Kaponga (two councillors) Te Hāwera (five councillors) and Pātea (two councillors). The four community boards remained unchanged.

We continued to voice our opposition to the Government's three waters reform proposal. In December 2021 we joined Communities 4 Local Democracy - He hapori mō te Manapori, to partner with other councils opposed to the reform proposal and to campaign in favour of other three waters options. We want to deliver a strong message to the Government that people want a better form of reform that respects the decades of investment by local communities and enables them to preserve a real say in how their money is spent in future.

On a more positive note, as part of Ngāruahine's Te Tiriti o Waitangi claims deed of settlement, it was a great privilege to have the opportunity to return the

balance of Te Ngutu o Te Manu and an area of land at Kaiپی Street, Manaia to Te Korowai o Ngāruahine Trust for \$1.00 each.

It is also pleasing to report, according to our annual independent survey, satisfaction with Council services remains high with 92% of residents happy with the overall service the Council provides and 83% believing the Council is moving in the right direction.

Despite the challenges of the past two years the Council is fiscally sound, we have high levels of community satisfaction, and have a clear direction for the future. It is our privilege to present the Council's 2021/22 Annual Report.



**Fiona Aitken**

Tumu Whakahaere  
South Taranaki District  
Council Chief Executive



**Phil Nixon**

Koromatua o Taranaki ki te  
Tonga  
South Taranaki Mayor

# Ngā Kaikōwhiri

## Elected Members

The South Taranaki District Council is made up of the District Mayor and 12 Councillors. The Mayor is elected at large over the District with the Councillors elected from Wards. There are four Community Boards; Te Hāwera, Taranaki Coastal, Eltham-Kaponga and Pātea and 16 Community Board members. These positions are all subject to election every three years.

### Ō koutou Kaikaunihera Your Councillors (2019 - 2022 term)



Mayor Phil Nixon



Andy Beccard



Mark Bellringer



Gary Brown



Celine Filbee



Aaron Langton



Steffy Mackay



Robert Northcott



Jack Rangiwhia



Diana Reid



Bryan Roach



Brian Rook



Chris Young

### Ō koutou Poari Hapori Your Community Boards (2019 - 2022 term)



**Eltham-Kaponga**  
Lindsay Maindonald,  
Sonya Douds, Karen Cave  
and Alan Hawkes



**Pātea**  
Maria Ferris, Jacq Dwyer,  
Dianne Lance and Joanne  
Peacock



**Taranaki Coastal**  
Sharlee Mareikura, Liz  
Sinclair, Andy Whitehead and  
Bonita Bigham.



**Te Hāwera**  
Raymond Buckland, Nikki  
Watson, Wayne Bigham and  
Russell Hockley.

The Council's purpose is to enable democratic local decision-making and action by and on behalf of our communities; and to promote the social, economic, environmental, and cultural well-being of our communities both now and for the future.

The Council groups its activities and services within the Annual Report under the following headings:

- Democracy & Leadership
- Three Waters (Water Supply, Stormwater, Wastewater)
- Solid Waste
- Roading & Footpaths (includes road safety and pathways)
- Community Facilities (parks and reserves, public spaces, halls, swimming pools, public toilets, holiday parks, cemeteries, pensioner housing and TSB Hub)
- Arts & Culture (arts, heritage, libraries)
- District Economy (economic development, tourism and events)
- Community Development and Support
- Environmental Management (planning and environmental policy)
- Regulatory Services (building control, environmental health, licensing – alcohol and gambling, noise control, animal management, regulation monitoring and civil defence and emergency)
- Coastal Structures
- Corporate Activities (include Audit and Risk, Customer Services, Finance, Communications, Corporate Property, Information Services and People and Capability).

## Council focused on performance

The performance measures within the Annual Report were adopted by the Council as part of the 2021 -31 Long Term Plan. We get performance information from a wide variety of sources: Council systems such as the customer requests management system, the finance system, databases for quality tests; satisfaction surveys; and reports from external organisations (for example the Taranaki Regional Council and the District Health Board).

The Council also commissions an independent resident satisfaction survey every year to find out what South Taranaki residents think of our District and the Council's services and facilities. The survey was conducted by Research First using a sample of 400 residents 18 years + and representative of the population in terms of age, ward and gender. A number of the performance measure results summarised in this Summary are based on the results of this satisfaction survey. For a detailed list of all the Council's performance measures please refer to the full Annual Report.

## The Year in Review

The Council's vision is to make South Taranaki the most liveable district. In our 2021 - 2031 Long Term Plan Council identified a number of key projects and priorities that we wanted to implement to support the achievement of our vision. In this section we report on the progress of those key priorities.

# He arotakenga o te tau

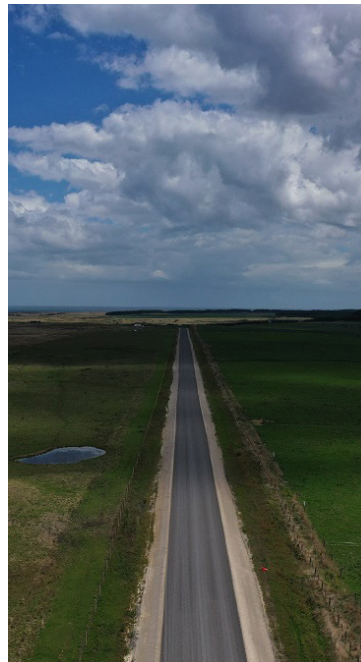
## The Year in Review



### Prosperous South Taranaki

Economic Well-being

A prosperous District with a sustainable economy, innovative businesses and high quality infrastructure.



### Complete Nukumarū Station Road extension

Construction began from the Waiinu end of the new road while negotiations continued for the land purchase at the state highway end. Stage 1 (6km at the southern end) was finished in August but remains closed to the public until Stage 2 (northern section 2.2km) has been completed. The total expenditure for the year was \$4.34 million.

### Undertake town centre upgrades in Pātea, Waverley Manaia, Ōpunakē and Eltham

COVID-19 lockdowns have affected the implementation of town centre master plans. The Waverley and Eltham Community Development Advisors worked with representatives from each community to prioritise projects, themes and goals for each town centre. Some work has begun and plans are underway to develop and begin larger projects in 2023. A co-design team has been formed for the Ōpunakē town revitalisation and will hold its first meeting in November 2022 for work to begin in 2023. Town revitalisation conversations for Manaia will not begin until a decision has been reached regarding the town's community centre. A co-design team has not been formalised in Pātea yet but once formed, is likely to meet early 2023.



### Develop the South Taranaki Business Park

Planning for installation of three waters infrastructure was started with designs for Stage 1 of the water supply completed. Installation of the Stage 1 water main started in July 2022. Road improvements are in the design phase.



He arotakenga o te tau

# The Year in Review



## Vibrant South Taranaki

Cultural Well-being

A vibrant and creative District that celebrates diversity and has strong relationships with Iwi/Hapū.



### Complete Te Ramanui o Ruapūtahanga, South Taranaki's new Library, Culture and Arts Centre.

Demolition of the buildings at the site for Te Ramanui o Ruapūtahanga was completed. The work took a little longer than anticipated, while the need for archaeological investigations and removal of underground storage tanks were unknown issues until the buildings had been removed and the site cleared. During the demolition period, tenders were called for the construction of the new building, with the main contract being awarded to Livingstone Building. The site was blessed and handed over to them on 18 May 2022. Livingstone Building is not located in the South Taranaki District; however, local labour will contribute to constructing the facility, including some local companies engaged as sub-contractors. Construction work will begin early in the 2022/2023 year and the facility is expected to open in April 2024.



### Replace or strengthen and refurbish the Manaia War Memorial Hall and Manaia Sports Complex

The Council has signed a partnership agreement with Te Korowai o Ngāruahine Trust to undertake public engagement and a feasibility study to investigate the viability of establishing a combined multi-purpose, multi-use Iwi and community facility in Manaia.

He arotakenga o te tau

# The Year in Review



## Sustainable South Taranaki

Environmental Well-being

A sustainable District that manages its resources in a way that preserves the environment for future generations.



### Implement our Environment and Sustainability Strategy

This Strategy includes projects such as planting and restoring native species on Council owned properties, mapping and protecting the District's indigenous vegetation, developing an energy and carbon reduction plan and a District climate change adaptation plan to minimise the impact climate related events will have on South Taranaki.

The Council agreed to accept Tranche 1 of the Government's 'Better Off' funding for local government, and the Environment and Sustainability Team began planning a proposed programme of works, with a focus being an extensive upscaling of our reforestation project. These projects will aim to make Council a carbon positive organisation by 2035. As part of the one billion trees programme, we agreed to reforest at least two hectares of Council land each year over five years. The Ministry of Primary Industries co-funded this work at the rate of \$6,000 per hectare (up to \$12,000 per year) and we are approximately halfway through the contract. Two sites totalling 5.9ha have been planted with 10,990 native plants.



### Reduce the total amount of waste going to landfill by 5% by 2023 through waste minimisation activities.

The COVID-19 pandemic meant that most of our planned activities had to be cancelled. Our annual zero waste Christmas present wrapping event went ahead as planned, and the 'Bring It!' campaign has been promoted since the beginning of 2022, to reduce the large numbers of single-use coffee cups and food containers going to landfill.

# He arotakenga o te tau

## The Year in Review



### Together South Taranaki

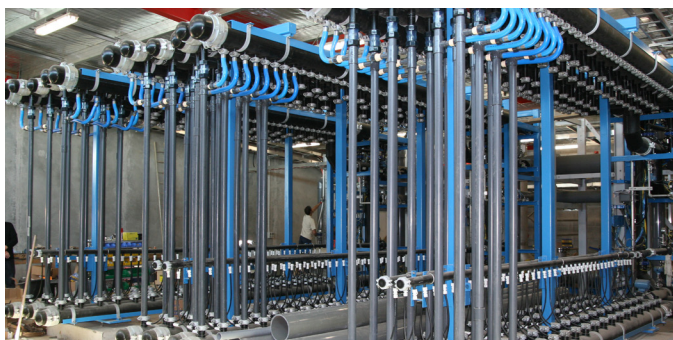
Social Well-being

A District with healthy, safe, resilient, informed and connected people.



### Complete the District Pathways Programme including any pathways identified through the Town Centre Master Plans.

After lengthy and ultimately unsuccessful discussions with KiwiRail, the proposed Normanby to Hāwera route along the railway line was abandoned and a pathway was constructed along Ketemarae and Glover Roads. While it is less suitable as a commuter route, the pathway is popular for recreational walking and cycling. The Soldiers Park Walkway was reconstructed and extended, with input from the Eltham community.



### Complete water treatment enhancement and water pressure improvements in Pātea (\$3.2 million).

The design phase of pressure improvements is nearing completion and tendering will follow. Detailed design of the treatment plant is under way, but both projects have been constrained by the lack of project engineering staff.



### Spend an average of \$32.4 million pa on the road network, including average annual expenditure of \$920,000 on footpaths and \$750,000 each year for upgrading our bridges

We spent \$31.3 million on the road network (this included operational and capital value works), and \$451,000 on footpaths.

## He arotakenga o te tau

# The Year in Review

| Prosperous Project/Priority   | Progress   |
|---|--|
| Install water, wastewater and stormwater infrastructure for residential growth in the western Hāwera zone.  | This project is in the modelling phase and the structure plan will be included in the District Plan review scheduled for 2023.   |
| Provide assistance to owners of commercial earthquake prone buildings   | The Council reviewed its earthquake-prone buildings assistance package to make it simpler to administer and the maximum assistance per application was increased from \$6,000 to \$10,000.   |
| Collaborate with key organisations to develop a District Business Innovation and Enterprise Hub. Based initially in Hāwera, with the potential to expand to other towns, this initiative aims to support social and economic growth by providing a range of services such as co-working spaces, enterprise incubation, seed funding, training and events. The aim is to grow entrepreneurial activity and create a vibrant and connected business start-up community in South Taranaki. | The Council has partnered with Bizlink Hāwera (the Hāwera Business Association) to develop the business innovation and enterprise hub. Construction of the Hub at 130 High Street, Hāwera is under way. The work was delayed by the need to undertake major earthquake strengthening, which was paid for by the building owner. The scheduled opening date is 31 Jan 2023. |
| Subsidise rates on average by \$6.5 million pa using earnings from the Long Term Investment Fund.   | During the year Council withdraw \$4.3m from the LTIF to subsidise rates.  |
| Fund key projects with a combination of loans, existing reserves, external funding sources and earnings from the Long Term Investment Fund, rather than through rates.  | Key projects such as Nukumarū Station Road, Te Ramanui o Ruapūtahanga and three water projects were funded mainly with external funding, earnings from the LTIF and loans.   |
| Collaborate with other Taranaki councils where appropriate to achieve efficiencies and cost savings.  | Taranaki Councils met quarterly to discuss opportunities for increased collaboration.  |
| Continue work on the Hāwera town centre upgrades  | The Hāwera town centre upgrade was deferred, and the funding was used to assist with increased costs for building Te Ramanui. The increases were due to COVID-19-related shortages of supplies and contractors and significantly increased inflation.  |
| Vibrant Project/Priority  | Progress   |
| Develop and implement Iwi-Council Partnership Strategy  | AATEA Consultants were engaged to facilitate the development of the Iwi-Council Partnership Strategy and initial workshops were held to identify shared values, key issues and opportunities for the Council to work in partnership with Iwi. The Strategy is being drafted.   |
| Continue work on earthquake strengthening and upgrades to Eltham Town Hall.   | The roof was replaced and the walls were repainted to extend their life, as the cladding replacement has been deferred. Stage 1 of the earthquake strengthening was completed.   |
| Budget \$1.4 million to upgrade Council owned earthquake prone buildings  | A Detailed Seismic Assessment (DSA) was undertaken on the Hāwera Administration Building, including geotechnical work. This showed that the building is not earthquake-prone, and the newer part of the building is capable of performing an essential post-disaster service.  |

## He arotakenga o te tau

# The Year in Review

| Sustainable Project/Priority  | Progress   |
|---|--|
| Improve our water and wastewater infrastructure by reducing water loss (leakage) within our water networks and reducing water entering our wastewater networks (sewers).  | This work is on-going. Water leak detection in Ōpunakē identified a number of leaks in our reticulation and on private properties. More work is planned due to high night flows experienced in some of our towns. Thermal imaging leak detection investigations will be carried out by contractors with specialist equipment. Smoke testing, physical and CCTV inspections identified numerous wastewater manholes and pipes that need to be rectified and CRM's have been raised for our reticulation contractor to repair these. |
| Build new reservoirs for the Waimate West, Ōpunakē, Waverley and Rāhotu water supplies.   | The foundation works for the new Waimate West Water Supply reservoir (No.3) were completed with \$1.67 million spent. The roof and tank installation will start early in 2023.   |
| Find and develop new water sources for the Kāpuni, Eltham and Waverley water supplies.  | The Eltham bore tender documents were prepared and will be issued to the market in the next financial year.  |
| Upgrade our wastewater network and build new tertiary wastewater treatment plants for Waverley, Hāwera, Pātea, Kāponga and Manaia wastewater treatment plants.  | The Waverley facility design has started.  |
| Maintain Pātea Moles  | Modelling and monitoring are on-going, and tenders were invited for remedial work on the Pātea Moles shortly after the beginning of the new financial year.  |
| Project/Priority  | Progress   |
| Replace the Ōpunakē Beach retaining wall in 2021/22 (\$212,000)   | The wall was replaced in April/May 2022 at a cost of \$146,126.63.   |
| Undertake a digital transformation programme to replace our ageing digital infrastructure with more modern and efficient systems, so we can work more efficiently and our customers can connect and do business with us easily (\$3 million over five years). | We developed a Digital Transformation Strategy, with the vision that the Council's customers and staff can easily do all their business online, and with the purpose of increasing productivity and improving customer experience. We are planning to employ a Digital Transformation Project Manager and their role will include updating or replacing the Council's ageing digital systems. In 2021/22 we replaced our document management system with a modern, secure, cloud based system.                                     |
| Information Management – digitisation and scanning projects   | We have completed the digitisation of our property records and building consents.  |

# Ngā Manawareka me ngā Paearu Mahi

## Other Highlights and Performance Measures

### Te Pou Manukura | Democracy and Leadership

| Performance Measure  | Target | Achieved   | Not Achieved   |
|--|--------|--|--|
| % of residents who agree decisions made by Council represent the best interests of the District.                     | ≥70%   |  | The Annual Residents' Survey showed that 67% of respondents thought that decisions made by the Council represent the best interests of the District. |
| % of residents who are satisfied/neutral with their opportunity to participate in Council decision-making processes. | ≥80    | The Annual Residents' Survey showed that 84% of respondents were satisfied with their opportunities to participate in Council decision-making processes. |  |
| % of residents who know where to access Council information when they want it  | ≥85    | The Annual Residents' Survey showed that 86% of respondents know where to access Council information when they want it.                                  |  |

### Representation Review and Elections

Following a decision in November 2020 to establish one or more Māori wards, the Council undertook a representation review, as required by the Local Electoral Act. Numerous options for the general wards were considered, along with two Māori ward options, and a final proposal was chosen in October 2021 and publicly notified. It did not meet the Act's requirements for fair representation and therefore had to be submitted to the Local Government Commission for a determination. We were notified in April that the Commission had confirmed the final proposal, as submitted.

The new representation arrangements to take effect at the October 2022 election are for a mayor elected at large, two Māori wards, Te Kūrae and Te Tai Tonga, each with one councillor, and four general wards – Taranaki Coastal (two councillors), Eltham-Kaponga (two councillors) Te Hāwera (five councillors) and Pātea (two councillors). The four community boards with four members each remained unchanged apart from the appointed councillors, as they can now be from the relevant Māori or general ward.

### Land returned to Iwi

As part of Ngāruahine's Te Tiriti o Waitangi claims deed of settlement, the balance of Te Ngutu o Te Manu and an area of land at Kaipī Street, Manaia were sold to Te Korowai o Ngāruahine Trust for \$1.00 each. Te Ngutu o Te Manu is of immense importance to Ngāruahine and the land transfers were seen as an acknowledgement of the cultural significance of the whenua, while the sale prices recognised that the land had been indiscriminately and wrongfully confiscated in the 1860s.

# Ngā Manawareka me ngā Paearu Mahi

## Other Highlights and Performance Measures

### Ngā Puna Wai | Water Supply Services

| Performance Measure  | Target | Achieved   | Not Achieved  |
|--|--------|--|---|
| Total number of complaints received (per 1,000 connections) for DIA performance measures 4a – 4e* (clarity/taste, odour, pressure/flow, supply and response) | ≤24    | In total 19.16 complaints per 1,000 connections were received for the year |   |
| Compliance with current Drinking Water Standards for bacteria.   | 8/10   |  | Eight out of ten water treatment plants complied. Hāwera and Waimate West not achieved. |
| Compliance with current Drinking Water Standards for protozoa.   | 10/10  | Ten out of ten water treatment plants complied.                            |   |
| % of consumers satisfied with the water supply overall.  | ≥80%   | 83% of those surveyed were satisfied                                       |   |

\* The number of complaints may not include all complaints received through Council after-hours service. For events that result in multiple complaints, parent and child service requests are raised and relevant information is recorded against these. Officers are working with the after-hours call centre and DIA to resolve the current issue.

### Three Waters Reform

Our infrastructure staff spent a huge amount of time during the year providing information to the Department of Internal Affairs as part of the preparations for the three waters reforms, and preparing a submission on the Water Services Entities Bill.

Taumata Arowai – the Water Regulator is now operating under the new Water Services Act. It is taking a low-contact, hands-off approach, in the expectation that water suppliers already have the necessary systems, procedures and skilled people in place to ensure delivery of safe drinking water.

### Te wai āwhiwhio me ōna rītenga | Stormwater

| Performance Measure   | Target | Achieved   | Not Achieved                         |
|---|--------|--|--------------------------------------|
| Number of reported flooding incidents of habitable properties.            | <10    | No flooding events of habitable properties were reported |                                      |
| Number of abatement notices received by Council for stormwater discharges | <2     | No abatement notices were received                       |                                      |
| % of residents satisfied with the stormwater system.                      | ≥80%   |  | 73% of those surveyed were satisfied |

# Ngā Manawareka me ngā Paearu Mahi

## Other Highlights and Performance Measures

### Ngā parapara | Wastewater

| Performance Measure  | Target | Achieved   | Not Achieved  |
|--|--------|--|---|
| Number of customer complaints per year relating to odours from wastewater pump stations or treatment facilities (per 1,000 connections). | ≤1     | 0.25 complaints per 1,000 connections were received  |   |
| Number of customer complaints per year about sewerage system faults (per 1,000 connections).   | ≤39    | 12.04 complaints per 1,000 connections were received |   |
| Total number of complaints received (per 1,000 connections).<br><i>DIA Performance Measures 4a-4d *</i>                                  | ≤52    | 23.32 complaints per 1,000 connections were received |   |
| Number of dry weather sewerage overflows per 1,000 connections   | ≤1     | (0) No dry weather sewerage overflows were reported  |   |
| % of customers satisfied with the wastewater services overall  | ≥85%   |  | The Annual Residents' Survey showed that 84% of consumers surveyed were satisfied |

\* The number of complaints may not include all complaints received through Council after-hours service. For events that result in multiple complaints, parent and child service requests are raised and relevant information is recorded against these. Officers are working with the after-hours call centre and DIA to resolve the current issue.

### Para Totoka | Solid Waste

| Performance Measure  | Target               | Achieved  | Not Achieved |
|--|----------------------|---|--------------|
| % of customers satisfied with the solid waste collection service.                                    | ≥90%                 | The Annual Residents' Survey showed that 95% of those surveyed were satisfied   |              |
| Number of complaints received for missed street collection that are not resolved (average per month) | 2                    | An average of 1.33 complaints per month were received for a missed collection that was not resolved   |              |
| Number of tonnes of waste collected per household per annum.   | <320kg per household | 402kg of waste per household was collected for the 2021/22 financial year. This measure is trending downwards as it has reduced from 408kg per household in the 2020/21 financial year. |              |



# Ngā Manawareka me ngā Paearu Mahi

## Other Highlights and Performance Measures

### Ngā Huarahi Ararau | Roading and Footpaths

| Performance Measure  | Target | Achieved  | Not Achieved   |
|--|--------|---|--|
| % of roads meeting the roughness standard (deviation of true plane) remains stable or improves.            | 92%    | The Annual Roughness Survey has been completed and the reported result is 92% for overall roughness. When separated, the result for urban streets is 81% and rural roads 96%. |  |
| % of road users satisfied with the condition of Council roads.   | ≥73%   |   | The Annual Residents' Survey showed that 58% of road users are satisfied with the condition of Council roads. The majority of the reasons given by dissatisfied users were potholes, rough roads, poor quality repairs and narrow roads. Many cited the faults on state highways, which may have affected the low satisfaction result. |
| % of sealed local road network resurfaced annually   | 6%     |   | 5.21% of the sealed local road network was resurfaced for the year. The contract rate for resurfacing was higher than expected and further exacerbated by inflation of the cost price of bitumen. This is why we were unable to achieve 6% even though we spent more than budgeted.  |
| % of footpath with condition rating ≤4.  | ≥98%   | 99% of footpaths made ≤4 Condition Rating   |  |
| % of urgent customer service requests relating to roads and footpaths responded within 2 working days.     | ≥95%   |   | 44 urgent CRM's were received for the year and 37 (84%) were responded to within two working days.   |
| % of non-urgent customer service requests relating to roads and footpaths responded within 5 working days. | ≥90%   |   | 1,285 out of 1,444 (89%) non-urgent CRM's were responded to within five working days for the year.   |

# Ngā Manawareka me ngā Paearu Mahi

## Other Highlights and Performance Measures

### Flood Damage

Severe storms in July, August and October 2021 and February, March and June 2022 caused considerable damage to our roading infrastructure, especially in the Tāngāhoe and Waitōtara Valleys, Mangamingi and in the Taranaki Coastal area. The total repair cost was around \$1.8 million. The storms also created on-going problems with the Ōpunakē water supply intake, particularly sand and sediment build up after even minor rain events. Substantial mitigation works were initiated, at a cost of \$35,000.

### Ngā Huahua Kaunihera | Community Facilities

| Performance Measure   | Target | Achieved   | Not Achieved   |
|---|--------|--|--|
| % of customers satisfied with the level of maintenance in Council parks and reserves. | 97%    |  | The Annual Residents' Satisfaction Survey results showed that 95% of respondents were satisfied with Parks and Reserves. |
| % of residents satisfied with cleanliness and maintenance of Public Toilets.          | ≥80%   | The Annual Residents' Survey showed that 80% of respondents were satisfied with the cleanliness and maintenance of Public Toilets.         |  |
| % of customers satisfied with the maintenance and cleanliness of recreation centres.  | ≥90%   | The Annual Residents' Survey showed that 96% of respondents were satisfied with the maintenance and cleanliness of Halls.                  |  |
| (C) % of visitors satisfied with the tidiness and level of maintenance at Cemeteries. | ≥95%   | The Annual Residents' Survey showed that 96% of respondents were satisfied with the level of maintenance at Cemeteries.                    |  |
| % of users satisfied with the standard of service provided at the TSB Hub             | ≥90%   | User surveys recorded that 100% of respondents were either satisfied or very satisfied with the standard of service provided for the year. |  |
| % of users satisfied with services provided at the Hāwera Aquatic Centre.             | ≥90%   | The Annual Residents' Survey recorded that 97% of customers were satisfied with the Aquatic Centre maintenance environment.                |  |
| % of customers satisfied with pool environments. Average across all Rural Pools.      | ≥80%   | The Annual Residents' Survey recorded that 91% of customers were satisfied with the rural pools environments.                              |  |

# Ngā Manawareka me ngā Paearu Mahi

## Other Highlights and Performance Measures

|   |      |   |  |
|---|------|---|--|
| <b>% of housing for elderly tenants satisfied with the standard of their accommodation.</b> | ≥95% | The Annual Tenants' Survey recorded that 100% of the respondents were satisfied with the standard of their accommodation. |  |
|---|------|---|--|

### Playgrounds

A new playground at Bowen Crescent in Ōpunakē was opened in May 2022. Whilst we had budgeted \$50,000 towards replacement of the existing playground, a small group of local residents decided they would like more contemporary playground equipment than our budget allowed for and proceeded to raise over \$60,000. The resultant playground, which preserved and re-built a climbable mountain with slide, is now being enjoyed by local children and visitors.

### Housing for the Elderly

In April 2022, the Council purchased two residential properties in Furlong Street, Hāwera, that adjoin a residential property bought some years ago with the potential to develop more Housing for the Elderly.

### Public Toilets

Construction of a new public toilet facility at the Ōpunakē Recreation Ground started towards the end of the financial year. The new toilets are located next to the Sinclair Electrical and Refrigeration Events Centre. At a cost of around \$200,000 they will replace the existing aged and deteriorating toilets. Challenges with the supply of materials delayed the intended start date for these toilets, which are now expected to be open by the end of 2022.

### Greenspace Contract

Tenders were invited for the District Greenspace Contract, which was due for renewal. The successful contractor was Downer New Zealand Limited, with the new contract taking effect from 1 July 2022.

## Ngā mahi ā-Toi me Rēhia | Arts and Culture

| Performance Measure   | Target | Achieved  | Not Achieved |
|---|--------|---|--------------|
| <b>% of customers satisfied with LibraryPlus facilities and customer service.</b> | ≥96%   | The Annual Residents' Survey showed that 98% of respondents were satisfied with the facilities and customer service of LibraryPlus Centres. |              |

### LibraryPlus Services

Our libraries staff found innovative ways to keep providing most of their services during the COVID-19 lockdowns, including contactless book collection or home deliveries, an adults book club, online cooking demonstrations and book and activity packs for isolating families.

### Aotea Utanganui Museum of South Taranaki

Stage 2 of the Museum development began in July 2021 with the construction of a long-awaited building to

# Ngā Manawareka me ngā Paearu Mahi

## Other Highlights and Performance Measures

house the agricultural collection. The estimated cost of the project was \$900,000, funded by the Museum Trust.

### Ōhanga-ā-Rohe | District Economy

| Performance Measure  | Target | Achieved   | Not Achieved   |
|--|--------|--|--|
| Number of unique visitors to the South Taranaki digital business hub per annum.      | 6,000  |  | 1,058 visitor numbers were below target for the year but feedback from businesses has been positive as they have had additional sales and enquiries generated via their business hub listings. |
| Number of promotions about investing and doing business in South Taranaki per annum. | 6      | There were 8 promotions about investing and doing business in South Taranaki for the year. |  |
| Number of events provided or supported by Council per annum.                         | ≥10    | 12 Council events were provided or supported during the year.                              |  |

More than 20 premium Taranaki food and beverage producers came together to showcase their products in Eltham (12 Nov - 30 Jan 2022) as part of the Taste of Taranaki Pop-up in Eltham. The highly successful event was a collaborative initiative between Venture Taranaki and South Taranaki District Council.

### Events

Our ability to organise and hold events during the year was severely hampered by COVID-19. Lockdowns, red and orange traffic light restrictions meant we were either unable to hold events, or had to restrict audience/participation numbers, which affected some of our usual annual events such as Arts in the Park, Elektra and Concerts in the Park.

Although the usual Concerts in the Park could not be held, we managed to hold a small version of the event indoors at the TSB Hub, using a local artist and restricting the audience numbers. We were able to pivot when events were constantly being cancelled by COVID and provided online concerts to the community. We livestreamed five local artists who hosted mini concerts from their homes for us on Friday evenings. We were pleasantly surprised by the amount of streams and views we received for each performance.

Despite the time of year, and wet and cold weather, our events team organised Drive in Movies at Rawhitiroa Domain in Eltham and in a church carpark at Ōpunakē in June. Those that did brave the wintery conditions were appreciative of having an event they could safely attend.

The April school holidays saw, for the first time, activities in our Happening Holiday programme extend outside Hāwera, to Pātea and Ōpunakē. Removing the barrier of transport allowed a greater number of kids to be involved.

# Ngā Manawareka me ngā Paearu Mahi

## Other Highlights and Performance Measures

### Whakawhanake Hapori | Community Development

| Performance Measure   | Target | Achieved  | Not Achieved |
|---|--------|---|--------------|
| Number of community and Council projects and activities provided, encouraged and supported. | ≥25    | 28 projects and activities were supported for the year. |              |

### Community Grants

The Council approved an increase of the Ōpunakē Sports and Recreation Trust grant from \$10,000 to \$50,000 and the Rotokare Scenic Reserve Trust grant from \$50,000 to \$60,000. A number of other community groups also received grants including the Hāwera Citizens Advice Bureau, Egmont A&P Association, Enviroschools Taranaki, Everybody's Theatre Ōpunakē, Hāwera Cinema 2, Menzshed Hāwera, Ōpunakē Beach Carnival Committee, Paepae in the Park, South Taranaki Neighbourhood Support, Taranaki Garden Trust, Waverley Community Patrol, Blue Light – Te Ara Tika Driver Licensing Programme, Hāwera Brass Inc, Hāwera Lawn Tennis and Squash Racquet Club, Ōpunakē Loop Trail Trust, Ōpunakē Players Inc, Park Croquet Club, Eltham Village Gallery and Waverley A&P Association.

### Ratonga Wakaature | Regulatory Services

| Performance Measure   | Target | Achieved   | Not Achieved  |
|---|--------|--|---|
| % of (liquor) licensed premises that are inspected.   | ≥95%   | 100% For the year, all 89 licensed premises were inspected.                            |   |
| % of new and renewed (food) premises applications processed within 10 working days              | ≥95%   | 100% For the year, all 69 premises applications were processed within 10 working days. |   |
| % of noise complaints are responded to within one hour.   | ≥90%   |  | For the year, 608 out of the 681 (89%) reported complaints received were responded to within one hour.            |
| % of building consent applications processed within the statutory timeframe of 20 working days. | 100%   |  | 772 building consent applications were processed, for the year with 566 (73.3%) processed within 20 working days. |
| % of building inspections carried out within 2 working days of request.                         | ≥95%   | 100% - 2,453 inspections were carried out for the year, all within 2 days of request.  |   |
| % of reported serious dog* or wandering stock incidents responded to within 4 hours.            | ≥95%   |  | For the year, 259 of 279 (93%) incidents were responded to within 4 hours.  |

# Ngā Manawareka me ngā Paearu Mahi

## Other Highlights and Performance Measures

|   |      |   |  |
|---|------|---|--|
| <b>% of reported general dog** incidents responded to within 1 working day.</b>     | ≥95% |   | For the year, 985 of the 1130 incidents (87%) were responded to within 1 working day.                            |
| <b>% of residents satisfied with the Animal Control service.</b>                    | ≥75% | The Annual Residents' Survey showed that 76% of respondents were satisfied with the Animal Control service. |  |
| <b>% of resource consent applications are processed within statutory timeframes</b> | 100% |   | 226 resource consent applications were processed, for the year with 220 (98%) being within statutory timeframes. |

\* serious dog incidents – dog attacks, threatening or rushing dogs or continual barking.

\*\* general dog incidents – barking and roaming.

### National Policy Statement on Indigenous Biodiversity (NPSIB)

A draft of the NPSIB was released for consultation in early June. Once finalised, probably by the end of 2022, it will require all district councils to identify and map Significant Natural Areas (SNAs), in partnership with iwi and hapū, following a framework called Te Rito o te Harakeke. This will be a resource-intensive process and the Government has promised financial support.

### Draft National Adaptation Plan

Council submitted on the Ministry for the Environment's National Adaptation Plan (NAP) for climate change. The NAP has significant implications for councils, as they will be required to implement most of the actions and objectives. These are wide-reaching and cover everything from building, planning, and LIMs, to community housing, urban planting, SNAs, biodiversity protection and restoration initiatives, how we manage and maintain our infrastructure, financing and funding, risk profiles and insurability of our assets.

### Waste Minimisation

The three Taranaki district councils completed a feasibility study for the construction, operation and management of an organic materials recovery facility. Workshops were held with elected members on the study's outcomes. We are working collaboratively to progress discussions on approaching potential suppliers with interest and capability to manage organic materials from across the Taranaki Region. We also began public engagement on the review of our Waste Management and Minimisation Plan.

### Energy Audit

The Council's Environment and Sustainability team completed an energy audit of our facilities, including an in-depth programme across the three main energy users – the Hāwera, Eltham and Normanby wastewater treatment network, Hāwera Aquatic Centre and the main administration building. The goal was to reduce our overall energy consumption and, over time, eliminate the use of natural gas.

# Ngā Manawareka me ngā Paearu Mahi

## Other Highlights and Performance Measures

### **Resource Management Reforms**

More information became available throughout the year on the Government's proposed resource management reforms, giving us a better picture of the effects on the Council and its operations. The Spatial Planning Act will see spatial planning become a regional function, the Natural and Built Environments Act will regulate land use and environmental protection, while the Climate Change Adaptation Act will address issues associated with managed retreat. These changes will have major implications for the Council.

## Financial Overview

The following pages provide an overview of the Council's financial performance for the year 1 July 2021 to 30 June 2022.

**Net surplus/(deficit)**  
**\$815,000**

**Total Assets**  
**\$1,427 million**

**Total Liabilities**  
**\$128 million**

**Total Equity**  
**\$1,299 million**

### Statement of Financial Performance

The Council finished the year with a \$815,000 surplus after unbudgeted adjustments (gains on derivative contracts \$10,924,000 and loss on disposal of assets \$1,937,000) against a budgeted surplus of \$6,134,000. The main contributors to this variance are as follows:

### Revenue

Total revenue was \$1,059,000 less than budgeted. This included (unrealised) loss of \$11.4 million from the Long-Term Investment Fund (LTIF) due to weak market conditions - mainly resulting from inflation pressures, interest rate increases and the on-going war between Russia and Ukraine. Additional income of \$6.1 million in subsidies and grants was derived from Tranche 1 funding (Three Waters Reform), funding from the Government for 'shovel ready' projects and TSB Community Trust grant for our Te Ramanui o Ruapūtahanga project and funding from the Provincial Growth Fund for Nukumaru Station Road.

### Expenditure

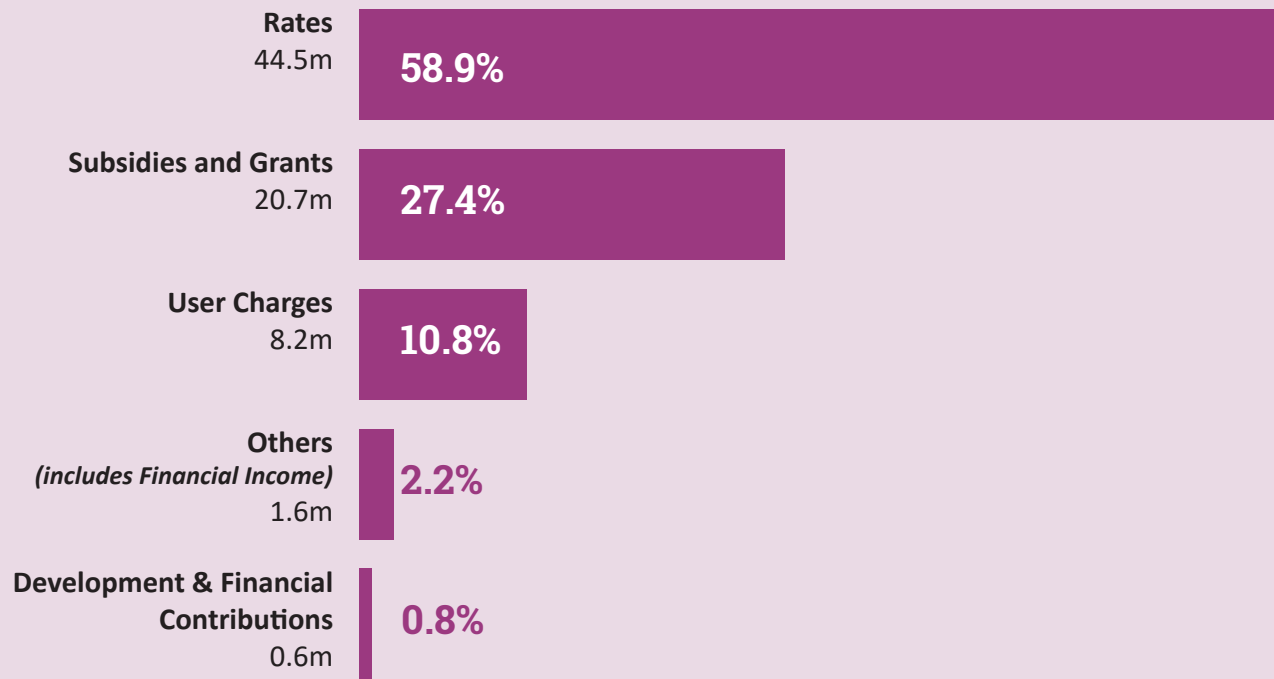
We made an accounting adjustment for the \$1.9 million book loss on infrastructure asset disposals (no impact on rates). Interest expenses were \$405,000 over budget mainly due to rising interest rates and cost of prefunding for upcoming maturity.

### Revaluation of Assets

The infrastructure and parks and reserves assets were revalued as at 30 June 2022 and the land and buildings assets were revalued as at 31 March 2022. The revaluation of assets resulted in an increase to all asset values of \$352 million, most of which were in the three waters and roading assets. The increases were significant - driven largely by inflation resulting from limited availability of services and resources currently being experienced globally. Some of the increases were also attributed to improved asset condition information in our database. Going forward these increases will continue to put pressure on our costs in terms of managing various services. While we expect the costs to increase significantly in the coming years, the Council has a number of options to manage future rates increases (such as non-funded depreciation, increasing the LTIF subsidy). Furthermore, the Government's three waters reform will remove those assets and liabilities from our balance sheet and transfer the cost of operating those services to a new entity.



## Operating Revenue - \$75.6m



# Statement of Financial Position

## Net assets as at 30 June 2022

|                        | Actual 2021/22  | Budget 2021/22  | Actual 2020/21  |
|------------------------|-----------------|-----------------|-----------------|
| Total assets           | \$1,427 million | \$1,140 million | \$1,083 million |
| Less total liabilities | \$128 million   | \$160 million   | \$137 million   |
| Net assets             | \$1,299 million | \$980 million   | \$946 million   |

### Long Term Investment Fund (LTIF)

The value of the LTIF at 30 June 2022 decreased to \$143.5 million (\$159 million in 2021) which included internal borrowing of \$15.57 million (\$16.91 million in 2021) and after allowing for the withdrawal of the annual rates subsidy. The balance decreased mainly as a result of weak market conditions arising from inflationary pressures, interest rate increases and the on-going war in Ukraine.

### External Funds

The budgeted return was \$9.03 million (\$0.63 million of interest revenue from internal borrowings) but the LTIF received a negative return of \$10.77 million (\$0.63 million of interest revenue from internal borrowings) in the 2021/22. During the year the Council withdrew \$4.37 million for the annual rates subsidy and received \$1.34 million for internal loan repayments and \$0.63 million for the interest on internal loans.

### Three Waters Reform

The Taumata Arowai – Water Services Regulator Act 2020 established a new Crown entity, Taumata Arowai, which is responsible for administering and enforcing a new drinking water regulatory system. We will continue to manage our three waters services until we have further information from Government on

the reform. We have budgeted for the significantly increased costs associated with the new regulations and upcoming consents for water extraction and wastewater treatment, which are now expected to require further infrastructure upgrades to meet environmental standards over the next nine years. As part of the Three Waters Reform, we have entered into a Memorandum of Understanding with the Government that will provide us with up to \$5.4m for infrastructure improvements. As at 30 June 2022, we received \$4.9m with the balance (\$0.5m) to be paid in the next financial year.

### Term Debt

The Council's total borrowing decreased to \$128.97 million (\$129.11 million in 2021) which included \$15.57 million of internal borrowing (\$16.91 million in 2021).

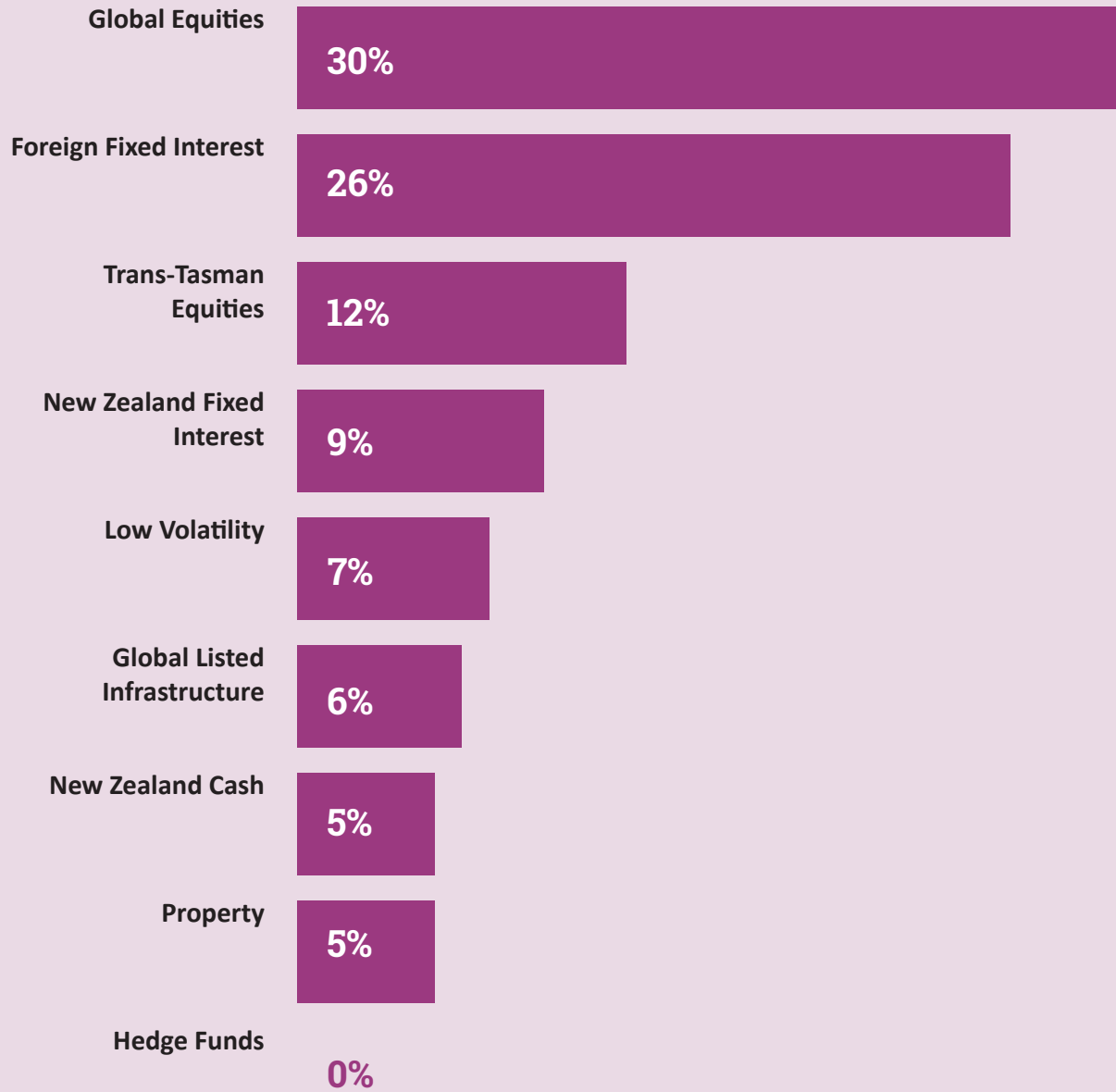
### Local Government (Financial and Prudence) Regulations 204

The Council is required to include Financial Prudence Benchmarks in its Annual Report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. The key benchmarks for 2021/22 are summarised below:

## Key 2021/22 Benchmarks

|                                | Benchmark  | Achieved        |
|--------------------------------|--|-----------------|
| Rates (Increase) Affordability | <4.75%   | Yes 4.73%       |
| Debt Affordability             | Net interest expense as a percentage of total annual income (<15%) | Yes - 7%        |
| Debt Affordability             | Net debt per capita is less than \$2,000 per person                | Yes -\$1,090.07 |
| Balanced Budget                | Revenue equals or is greater than its operating expenses (≥100%)   | No - 85.71%     |
| Debt Servicing                 | Borrowing costs equal or are less than 10% of its revenue (≤10%)   | Yes 7.31%       |

## Fund Analysis



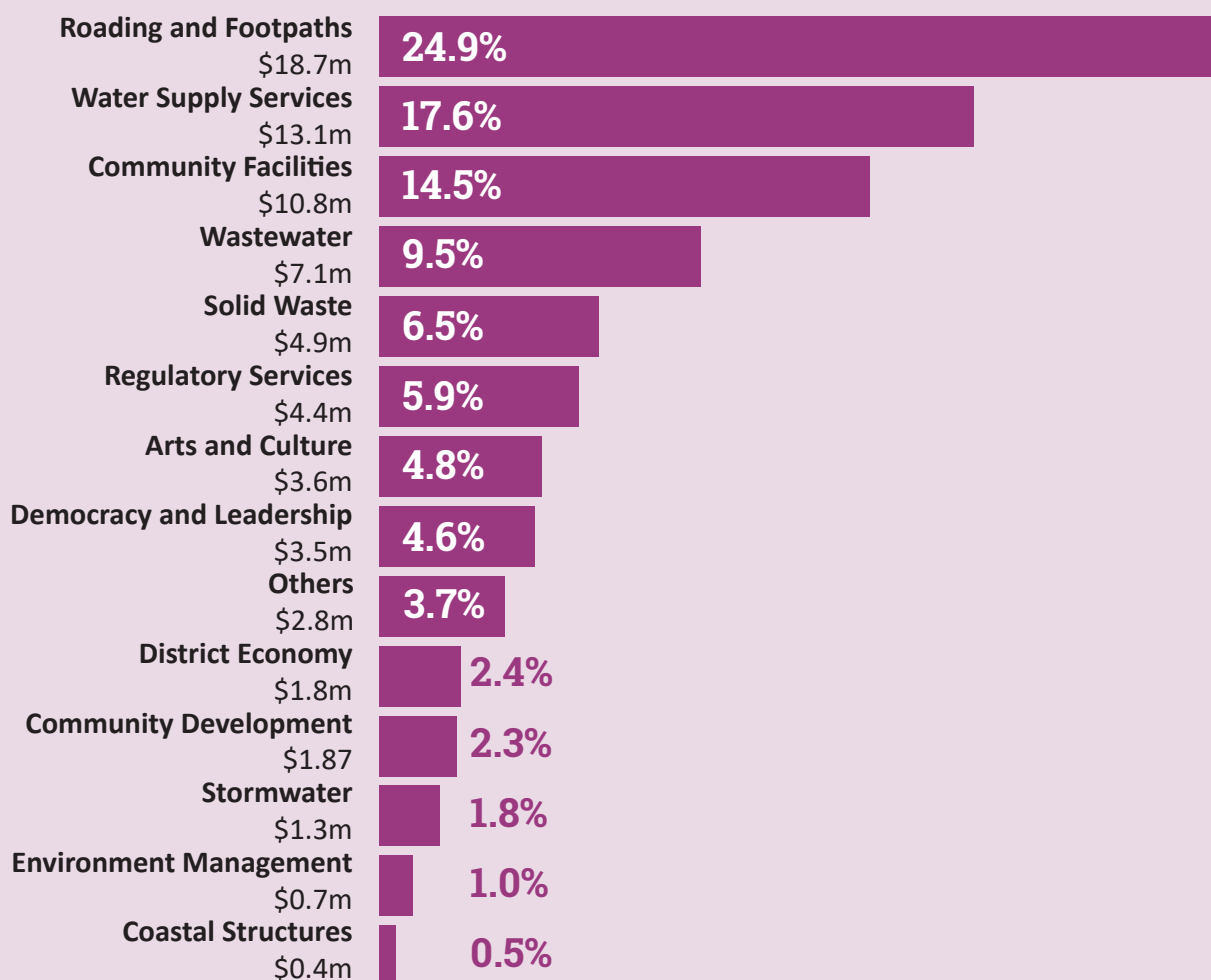
# Āhuatanga Pūtea me ngā Nekehanga Moni

## Financial Performance and Movements in Equity

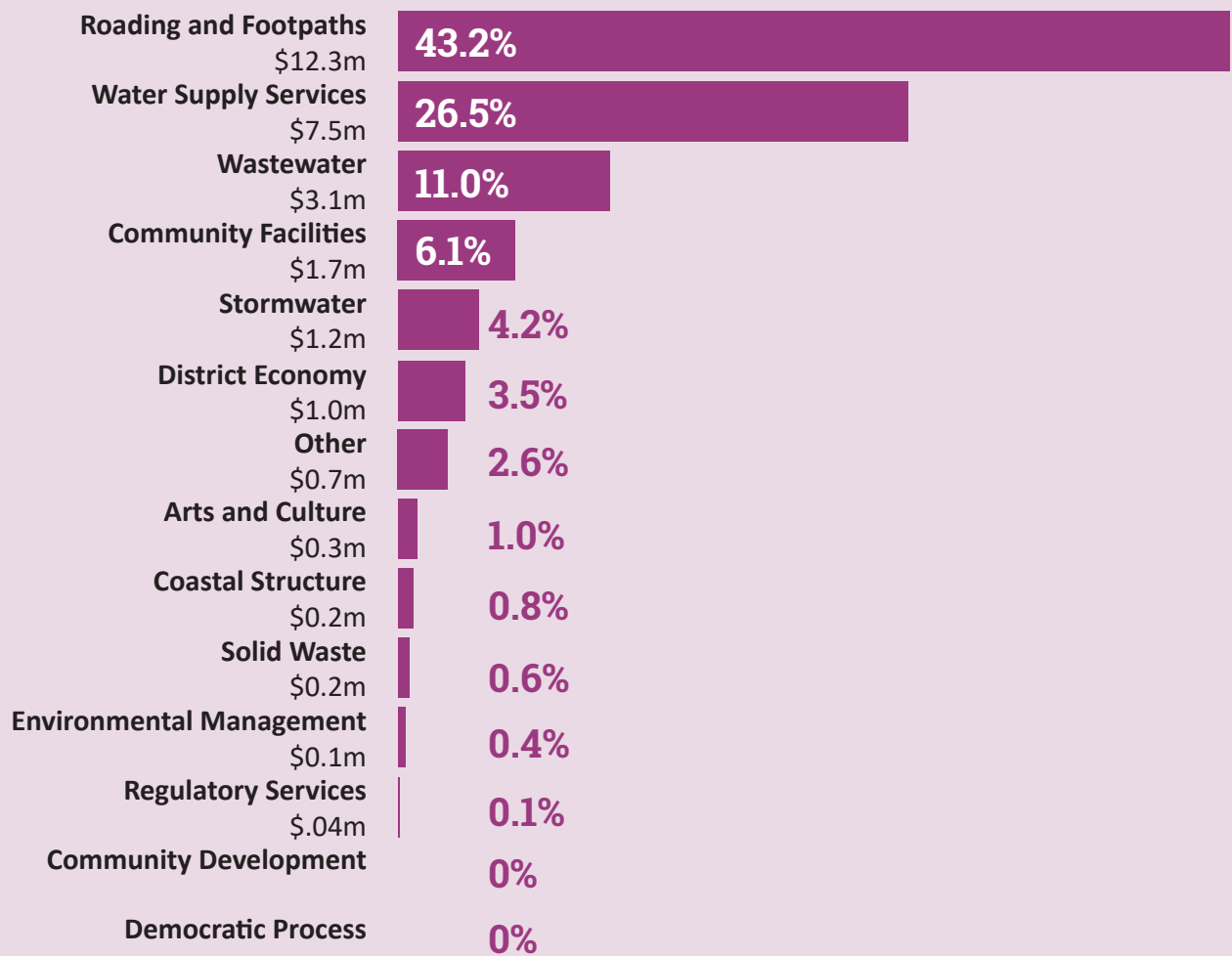
### Net assets as at 30 June 2022

|  | Actual 2021/22   | Budget 2021/22  | Actual 2020/21  |
|--|------------------|-----------------|-----------------|
| Operating revenue                          | \$75.63 million  | \$76.69 million | \$96.76 million |
| Operating expenditure                      | \$74.81 million  | \$70.55 million | \$70.26 million |
| Net operating surplus/(deficit)            | \$0.82 million   | \$6.14 million  | \$26.50 million |
| Net increase/(decrease) in value of assets | \$343.41 million | \$76.27 million | \$17.93 million |
| Total Movements in Equity                  | \$353.09 million | \$69.13 million | \$26.50 million |

### Operating Expenditure - \$74.8m



## Capital Expenditure - \$28.4m



# Āhuatanga Pūtea me ngā Nekehanga Moni

## Financial Performance and Movements in Equity

### Summary Statement of Financial Position

|                                | Actual<br>2021/22<br>(\$000) | Council Budget<br>2021/22<br>(\$,000) | Consolidation<br>Actual 2021/22<br>(\$000) | Council Actual<br>2020/21<br>(\$000) | Consolidation<br>Actual 2020/21<br>(\$000) |
|--------------------------------|------------------------------|---------------------------------------|--|--------------------------------------|--|
| Current assets                 | 117,465                      | 125,132                               | 117,465                                    | 134,998                              | 134,998                                    |
| Non-current assets             | 1,309,691                    | 1,015,094                             | 1,309,691                                  | 948,745                              | 948,745                                    |
| <b>Total Assets</b>            | <b>1,427,156</b>             | <b>1,140,226</b>                      | <b>1,427,156</b>                           | <b>1,083,743</b>                     | <b>1,083,743</b>                           |
| Current liabilities            | 22,170                       | 22,469                                | 22,170                                     | 31,021                               | 31,021                                     |
| Non-current liabilities        | 105,452                      | 137,920                               | 105,452                                    | 106,282                              | 106,282                                    |
| <b>Total Liabilities</b>       | <b>127,622</b>               | <b>106,389</b>                        | <b>127,622</b>                             | <b>137,303</b>                       | <b>137,303</b>                             |
| <b>Total Equity/Net Assets</b> | <b>1,299,534</b>             | <b>979,837</b>                        | <b>1,299,534</b>                           | <b>946,441</b>                       | <b>946,441</b>                             |

### Summary Statement of Comprehensive Revenue and Expenses

|   | Actual<br>2021/22<br>(\$000) | Council Budget<br>2021/22<br>(\$,000) | Consolidation<br>Actual 2021/22<br>(\$000) | Council Actual<br>2020/21<br>(\$000) | Consolidation<br>Actual 2020/21<br>(\$000) |
|---|------------------------------|---------------------------------------|--|--------------------------------------|--|
| Total Revenue   | 75,629                       | 76,688                                | 75,629                                     | 96,758                               | 96,758                                     |
| Total Expenses (including finance cost)                         | 74,814                       | 70,554                                | 74,814                                     | 70,263                               | 70,263                                     |
| <b>Total operating surplus/(deficit) before tax</b>             | <b>815</b>                   | <b>6,134</b>                          | <b>815</b>                                 | <b>26,495</b>                        | <b>26,495</b>                              |
| <b>Other comprehensive revenue and expenditure</b>              |                              |                                       |  |                                      |  |
| Increase/(decrease) in revaluation reserves                     | 0                            | 0                                     | 0  | 0                                    | 0  |
| Gain on asset revaluation                                       | 352,284                      | 30,037                                | 352,284                                    | 0                                    | 0  |
| Adjustment to investment revaluation reserve                    | (6)                          | 0                                     | (6)  | 0                                    | 0  |
| <b>Total other comprehensive revenue and expenditure</b>        | <b>352,278</b>               | <b>30,037</b>                         | <b>352,278</b>                             | <b>26,495</b>                        | <b>26,495</b>                              |
| <b>Total comprehensive revenue and expenditure for the year</b> | <b>353,093</b>               | <b>36,171</b>                         | <b>353,093</b>                             | <b>26,495</b>                        | <b>26,495</b>                              |

## Summary Statement of Changes in Equity

|   | Actual<br>2021/22<br>(\$000) | Council Budget<br>2021/22<br>(\$,000) | Consolidation<br>Actual 2021/22<br>(\$000) | Council Actual<br>2020/21<br>(\$000) | Consolidation<br>Actual 2020/21<br>(\$000) |
|---|------------------------------|---------------------------------------|--|--------------------------------------|--|
| <b>Equity at the beginning of the year</b>                          | <b>946,441</b>               | <b>943,666</b>                        | <b>946,441</b>                             | <b>919,940</b>                       | <b>919,940</b>                             |
| Net surplus/(deficit) for the year                                  | 815                          | 6,134                                 | 815  | 26,495                               | 26,495                                     |
| Other comprehensive income/(loss)                                   | 352,284                      | 30,037                                | 352,284                                    | 6                                    | 6  |
| Adjustment  | (6)                          | 0                                     | (6)  | 0                                    | 0  |
| <b>Total comprehensive income including adjustment for the year</b> | <b>353,093</b>               | <b>36,171</b>                         | <b>353,093</b>                             | <b>26,504</b>                        | <b>26,501</b>                              |
| <b>Equity at the end of the year</b>                                | <b>1,299,534</b>             | <b>979,837</b>                        | <b>1,299,534</b>                           | <b>946,441</b>                       | <b>946,441</b>                             |
| <b>Comprising:</b>  |                              |                                       |  |                                      |  |
| Accumulated Balances  | 485,203                      | 489,133                               | 485,203                                    | 469,233                              | 469,233                                    |
| Restricted and statutory reserves                                   | 3,351                        | 1,983                                 | 3,351                                      | 2,601                                | 2,601                                      |
| Investment revaluation reserves                                     | 0                            | 0                                     | 0  | 0                                    | 0  |
| Separate Operating Reserves   | 10,878                       | 915                                   | 10,878                                     | 11,800                               | 11,800                                     |
| Council Created Reserves  | 144,974                      | 154,698                               | 144,974                                    | 159,976                              | 159,976                                    |
| Capital Replacement Reserves  | 453                          | 679                                   | 453  | 434                                  | 434  |
| Asset revaluation reserves  | 654,675                      | 332,429                               | 654,675                                    | 302,391                              | 302,391                                    |
| <b>Total Equity/Net Assets</b>                                      | <b>1,299,534</b>             | <b>979,837</b>                        | <b>1,299,534</b>                           | <b>946,441</b>                       | <b>946,441</b>                             |

## Summary Statement of Cashflows

|   | Actual<br>2021/22<br>(\$000) | Council Budget<br>2021/22<br>(\$,000) | Consolidation<br>Actual 2021/22<br>(\$000) | Council Actual<br>2020/21<br>(\$000) | Consolidation<br>Actual 2020/21<br>(\$000) |
|---|------------------------------|---------------------------------------|--|--------------------------------------|--|
| Net cashflows from operating activities                     | 21,028                       | 22,676                                | 21,028                                     | 25,805                               | 25,805                                     |
| Net cashflows from investing activities                     | (26,235)                     | (53,679)                              | (26,235)                                   | (13,844)                             | (13,844)                                   |
| Net cashflows from financing activities                     | 1,351                        | 20,772                                | 1,351                                      | (5,886)                              | (5,880)                                    |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents</b> | <b>(3,856)</b>               | <b>(10,231)</b>                       | <b>(3,856)</b>                             | <b>6,075</b>                         | <b>6,075</b>                               |

# Independent Auditor's Report



## To The Readers of South Taranaki District Council's Summary of The Annual Report for The Year Ended 30 June 2022

The summary of the annual report was derived from the annual report of the South Taranaki District Council (the District Council) for the year ended 30 June 2022.

The summary of the annual report comprises the following information on pages 14 to 22 and 30 to 31:

- the summary statement of financial position as at 30 June 2022;
- the summaries of the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended 30 June 2022;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary performance of services activities.

### Opinion

In our opinion:

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

However, the summary performance of service activities information includes a limitation in scope to the equivalent extent as the full audited non-financial performance information. This limitation is explained below in The full annual report and our audit report thereon section.

### Summary of the annual report

The summary of the annual report does not contain

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

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

### The full annual report and our audit report thereon

We expressed a qualified opinion on the activity statements and an unmodified audit opinion on the other audited information in the full annual report for the year ended 30 June 2022 in our auditor's report dated 12 December 2022. The basis for our qualified opinion on the activity statements is explained below.

The District Council is required to report in its full annual report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. We identified significant issues with some of these performance measures as described below. As a result of these issues, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported results for these performance measures for the current year and the 2020/21 baseline performance.

### Total number of complaints received – Water supply and Wastewater

The District Council was unable to accurately report the number of complaints for the water supply and wastewater services. Complete records of all complaints were not available.

Information about these matters is also disclosed on pages 15 and 16 of the District Council's summary annual report.

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to note 30 on page 166, which outlines that, in June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and



infrastructure from local authorities with effect from 1 July 2024. The impact of these proposed reforms, once legislated, will mean that the District Council will no longer deliver three waters services or own the assets required to deliver these services. The bill is currently before Parliament and has been subject to its third reading. It has yet to receive its Royal Assent from the Governor-General. Additional legislation is expected in 2023 that will provide detail on the transfer of assets and liabilities to the water service entities.

### **Council's responsibility for the summary of the annual report**

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

### **Auditor's responsibility**

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

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

In addition to our audit and our report on the disclosure requirements, we have carried out an assurance engagement on trustee reporting, which is compatible with those independence requirements. Other than this engagement we have no relationship with or interests in the District Council.



**Bennie Greyling  
for Deloitte Limited  
On behalf of the Auditor-General  
Auckland, New Zealand  
12 December 2022**

## **How we prepared these statements**

This summary report has been taken from the South Taranaki District Council 2021/22 Annual Report. The Annual Report, adopted on 12 December 2022, has been prepared in accordance with Tier 1 PBE Standards and contains detailed information about our finances and service provision. Deloitte has audited the full Annual Report and issued a modified opinion.

This Summary has been prepared in compliance with PBE FRS-43 and examined by Deloitte for consistency with the full Annual Report.

South Taranaki District Council is a public benefit entity for financial reporting purposes. The financial statements within the Annual Report have been prepared in accordance with New Zealand Generally Accepted Accounting Practices (NZ GAAP) and comply with PBE Standards. The financial statements include a Statement of Compliance to this effect. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars.

This summary Annual Report was authorised by the Chief Executive Officer of the South Taranaki District Council on 12 December 2022.



[www.southtaranaki.com](http://www.southtaranaki.com)