

SOUTH TARANAKI DISTRICT COUNCIL'S ANNUAL REPORT 2018/19



MAKING SOUTH TARANAKI
THE MOST
liveable
DISTRICT IN NZ



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 Okurukuru ki Rāwa o Turi,
Rāwa o Turi ki Waingongoro,
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 kanohi 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 te 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 Okurukuru to Rāwa o Turi,
From Rāwa o Turi to the Waingongoro 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, Pukeonaki, 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 IHIRANGI

CONTENTS

2	Mihi
3	Contents
4	Mayor and Chief Executive's Message
6	Vision & Mission, Your Councillors
7	About the LTP, Annual Plan and Annual Report cycle
9	Community Outcomes
11	Year in Review
21	Financial Commentary
26	Statement of Compliance and Responsibility
27	Independent Auditors Report
30	About this Report
31	Democracy & Leadership
37	Water Supply
47	Stormwater
53	Wastewater
61	Solid Waste
65	Roading & Footpaths
69	Community Facilities
81	Arts & Culture
85	District Economy
89	Community Development
93	Environmental Sustainability
97	Regulatory Services
105	Coastal Structures
107	Corporate Activities
109	Statement of Accounting Policies
120	Funding Impact Statements
136	Statement of Financial Performance
137	Statement of Financial Position
138	Statement of Changes in Equity
139	Statement of Comprehensive Revenue & Expense
140	Statement of Cashflow
141	Notes to Financial Statements
187	Political Structure
189	Elected Members
190	Management and Staff

MAYOR & CHIEF EXECUTIVE'S MESSAGE

TE REO MAIOHA TĀ TE KOROMATUA ME TE TUMU PAĒTAKI

Welcome to the South Taranaki District Council's Annual Report 2018/19.

In this document we look back on the last financial year (1 July 2018 to 30 June 2019) and report on how we performed against the objectives and priorities we set in our 2018-19 Annual Plan (Year 1 of our 2018-2028 Long Term Plan).

The Council's vision is to make South Taranaki the most liveable district in New Zealand with an attractive and affordable lifestyle, connected people in sustainable and vibrant communities. The 12 months to the end of June 2019 has seen significant progress made on a number of priorities and projects we undertook in order to achieve our vision.

Our second Hāwera Town Centre re-development project, Korimako Lane, and the refurbishment of the Grubi Building was completed and opened in early December 2018. The attractive new lane provides improved connectivity between the free public car parks and the CBD shopping precinct.

We continued to prepare for the main Hāwera Town Centre re-development project, Te Ramanui o Ruapūtahanga – South Taranaki's new Library, Culture and Arts Centre. Concept designs were shared with the community and feedback integrated into the preliminary designs (completed in May 2019). The project received a huge boost in the form of a \$2.8 million commitment from the TSB Community Trust in June 2019 and means we can move forward with great confidence. Construction is planned to begin in early 2020 and to be complete by July 2021.

In May 2019, Council embarked on a consultation process to develop town centre masterplans for Eltham, Ōpunakē, Manaia, Pātea and Waverley. The aim of this exercise is to develop a suite of actions for each town's CBD which can be included in our 2021-31 Long Term Plan. The masterplans will be completed for Council's consideration in October 2019.

As part of our goal to support economic development and sustainability, Council initiated a Feasibility and Initial Business Case Study into the potential development of an Industrial Park in the district. The study, has been part funded by the Government's Provincial Growth Fund and, at the time of writing this report, was finalised in September 2019.

After careful consideration and a detailed feasibility study we, along with the Stratford and New Plymouth District Councils, agreed to suspend further development of the Central Landfill near Eltham, bank the facility for future use and accept an offer from Midwest Disposals Ltd to send our waste to the Bonny Glen landfill, near Marton. The offer will save Taranaki ratepayers up to \$25 million over 35 years and enables us to focus on reducing waste going to landfill without raising the residential waste disposal costs. The 35-year agreement saves money, reduces risk, delivers long-term certainty and provides real incentive to minimise waste. We will begin taking our waste to Bonny Glen in the second half of 2019.

South Taranaki has been identified as being in a medium seismic (earthquake) risk area. Because of this, all earthquake-prone buildings in the district must be strengthened or demolished within 25 years. Places determined as Priority Areas would require that timeframe to be halved to 12.5 years. After public consultation and based on the information it had at hand, Council decided that a priority classification in our district was not warranted.

The Council decided to bring its professional roading services in-house. We believe this move will improve asset management and service delivery over time, as well as reduce costs and ultimately represent better value for money for our ratepayers. We also continued to invest in our infrastructure and improve the protection of our water supplies, such as the permanent treatment of the Pātea Water Supply with chlorine dioxide from December 2018.

We are nearly at the end of a major two-year project to review a range of bylaws covering activities from dog and livestock control to liquor control, water and wastewater. These bylaws will be in place for 10 years, unless there are changes to legislation or the Council decides to review them earlier.

The Council's Representation Review (which started in 2017) was finalised after receiving approval from the Local Government Commission. This means the Council's electoral arrangements for the next 6 years will consist of a Mayor elected at large, and 12 Councillors elected from four Wards; Te Hāwera (5 Councillors), Taranaki Coastal (3 Councillors), Eltham-Kaponga

(2 Councillors) and Pātea Ward (2 Councillors). There will be four community boards (same Ward boundaries) each with four elected members and one Councillor appointed by the Council.

Other notable achievements during the year include:

- 79km of roads were resealed and 7km of roads were reconstructed
- Pātea LibraryPlus was renovated
- Kaponga LibraryPlus was reopened in December 2018 after being earthquake strengthened and refurbished
- Work started on earthquake strengthening Pātea's Hunter Shaw Building
- Hāwera's King Edward Park (KEP) received international recognition as a recipient of a Green Flag Award and was also awarded a 5th star by the New Zealand Gardens Trust making it a Garden of National Significance
- Council's energy costs have fallen by approximately 13% compared to the previous two years. This was achieved mainly through conversion of street lighting to LED, switching two sites from standard metering to time-of-use metering and drier weather conditions in the months of August-November
- Council won the Tompkins Wake Award for Better Regulation and Policy at the 2019 McGredy Winder SOLGM Local Government Excellence Awards for our innovative approach to freedom camping.
- Standard and Poors (S&P) Global revised our financial outlook from stable to positive and reaffirmed our credit rating as 'AA-/A-1+'. A positive outlook reflects a one-in-three chance that S&P could raise the long-term ratings

within the next two years.

- Our annual independent survey of more than 400 residents across all five South Taranaki wards found that 93% of residents were happy with the overall service the Council provides.

The Council is in a healthy financial position and finished the year with a \$5,816,000 operational surplus before unbudgeted adjustments, against a budgeted surplus of \$2,123,000. While the Council's Income Statement shows a deficit of \$3,208,000 this was due to unbudgeted adjustments – these included any book loss on the disposal of assets (\$3,903,000) and a balance day valuation snapshot of our financial instruments. On 30 June this year, our Derivative Contracts showed a loss of \$5,121,000. These are unrealised losses.

As a result of strong market conditions, the Council's Long Term Investment Fund returned \$10.09 million against a budgeted return of \$8.75 million. After allowing for withdrawal of the annual rates subsidy and interest repayments for specific community projects, the value of the Fund at 30 June 2019 was \$147.09 million (\$143.21 million in 2018) including internal borrowings.

Note from Waid: Finally, this is Mayor Ross Dunlop's last Annual Report as he is not standing for re-election at the upcoming Local Body elections. Ross has dedicated a huge part of his life to his community having served 33 years on Council, 12 of those as South Taranaki Mayor. Ross leaves the Council in extremely good heart. We are fiscally sound, have upgraded much of our key infrastructure, have high levels of community satisfaction and have a clear direction for the future. It is our privilege to present the Council's 2018/19 Annual Report.



ROSS DUNLOP
Mayor



WAID CROCKETT
Chief Executive

VISION & MISSION

COUNCIL WILL LEAD WITH FAIRNESS AND INTEGRITY, AND WORK TO INSPIRE A VIBRANT AND CARING SPIRIT OF COMMUNITY, WHILE REMAINING AN EFFICIENT AND SENSITIVE PROVIDER OF SERVICES AND FACILITIES.

SOUTH TARANAKI IS THE MOST LIVEABLE DISTRICT IN NZ; WITH AN ATTRACTIVE AND AFFORDABLE LIFESTYLE, CONNECTED PEOPLE, IN SUSTAINABLE AND VIBRANT COMMUNITIES

YOUR COUNCILLORS Ō KOUTOU KAİKAUNIHĒRA



MAYOR ROSS DUNLOP
South Taranaki District



ANDY BECCARD



BONITA BIGHAM



KIRSTY BOURKE



GARY BROWN



CLEM COXHEAD



GORDON LAWSON



STEFFY MACKAY



PHIL NIXON



ROBERT NORTHCOTT



JACK RANGIWAHIA

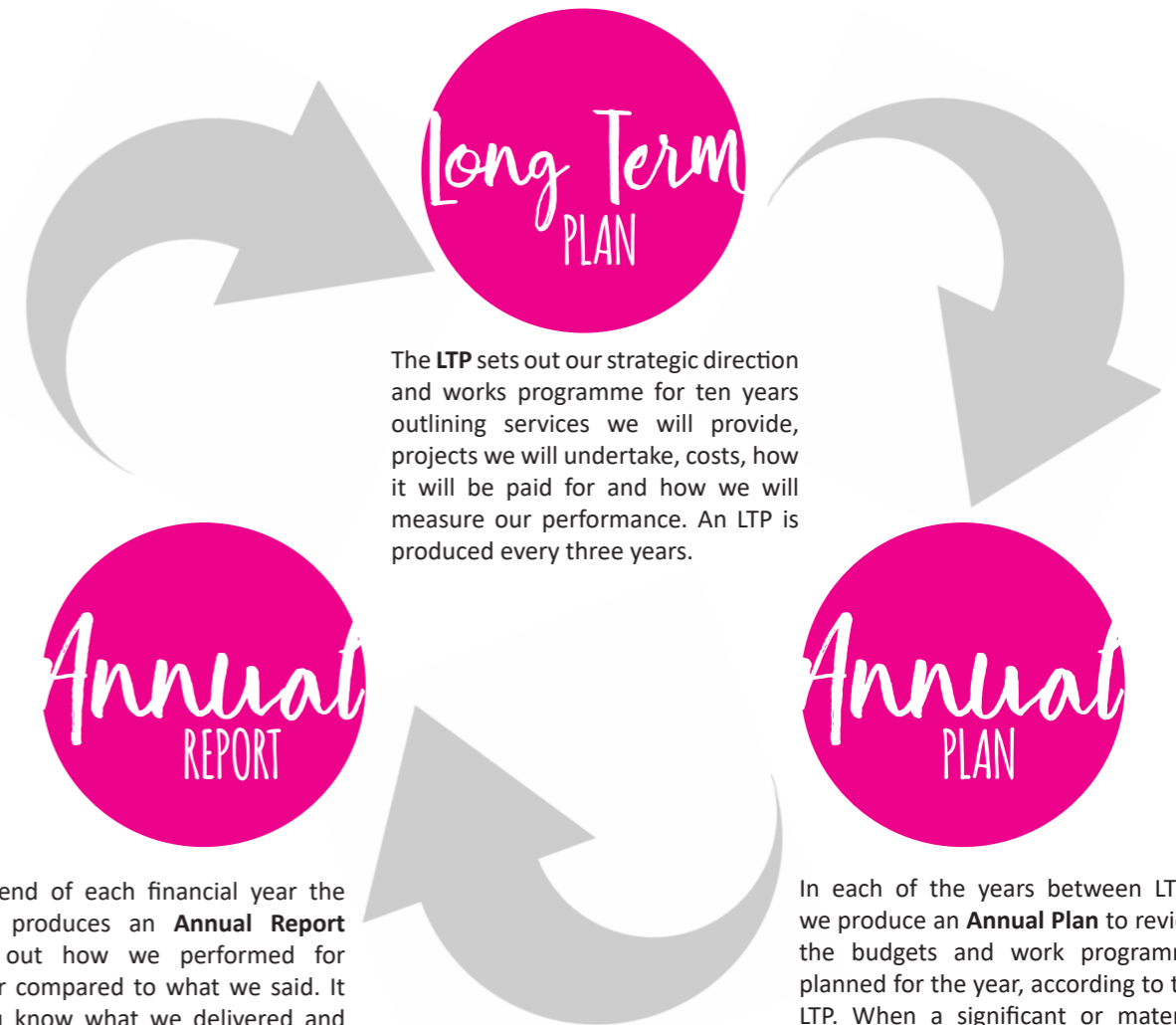


BRYAN ROACH



IAN WARDS

ABOUT THE LTP, ANNUAL PLAN & ANNUAL REPORT CYCLE



The **LTP** sets out our strategic direction and works programme for ten years outlining services we will provide, projects we will undertake, costs, how it will be paid for and how we will measure our performance. An LTP is produced every three years.

At the end of each financial year the Council produces an **Annual Report** setting out how we performed for the year compared to what we said. It lets you know what we delivered and analyses whether we met our budgets and performance targets.

In each of the years between LTPs, we produce an **Annual Plan** to review the budgets and work programme planned for the year, according to the LTP. When a significant or material change from the LTP is proposed, the community will be consulted.

COMMUNITY OUTCOMES

The purpose of local government as outlined in the Local Government Act 2002 is to meet the current and future needs of communities for good quality local infrastructure, local public services and the performance of regulatory functions in a way that is most cost effective for households and businesses.

The South Taranaki District Council works towards this purpose through our Mission Statement and Community Outcomes and use these to guide us when making decisions, developing policies, strategies or determining priorities regarding the activities and services we provide.

These outcomes fall under four main headings:



A District that provides a high quality and diverse cultural and recreational experience and encourages independence and creativity.



A District that leads with care, works together, advocates for its people and enables people to have a strong and distinctive sense of identity.



A District that boasts a sustainable, resilient and innovative economy, has accessible and integrated infrastructure, community services and open space that prosper within the natural and social environment.



A District that appreciates its natural environment and its physical and human resources in planning, delivery and protection.

COMMUNITY OUTCOMES

ACHIEVING OUR COUNCIL OUTCOMES

Activity	Prosperous	Vibrant	Together	Sustainable
Democracy & Leadership	✓	✓	✓	✓
Water Supply	✓			✓
Stormwater	✓			✓
Wastewater	✓			✓
Solid Waste	✓			✓
Roading & Footpaths	✓	✓		
Community Facilities	✓	✓	✓	✓
Arts & Culture	✓	✓	✓	✓
District Economy	✓	✓		
Community Development		✓	✓	✓
Environmental Sustainability	✓		✓	✓
Regulatory Services				✓
Coastal Structures	✓	✓		✓



THE YEAR IN REVIEW HE AROTAKENGA O TE TAU



MAKING SOUTH TARANAKI
THE MOST
liveable
DISTRICT IN NZ

THE YEAR IN REVIEW

The Council's vision is to make South Taranaki the most liveable district in New Zealand with an attractive and affordable lifestyle, connected people in sustainable and vibrant communities. In our 2018 – 2028 Long Term Plan, the 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.

ATTRACTIVE LIFESTYLE

Project/Priority	Progress
Complete the District Pathways Programme outlined in our last Long Term Plan (2015) and put an additional (\$500,000) aside for further development.	Work to develop a pathway along the Normanby to Hāwera rail corridor proved difficult, due to KiwiRail requirements. An alternative proposal which doesn't cross the railway line is now being considered.
Implement the Ōpunakē Beach Management Plan with approximately (\$500,000) worth of improvements budgeted for Ōpunakē Beach and the Holiday Park.	New playground was installed at Ōpunakē Beach.
Support the Rotokare Scenic Reserve Trust	The Rotokare Scenic Reserve Trust was granted \$50,000.
Improve track access and build new toilets at Waihi Beach Reserve to complement the Denby Road pathway (\$225,000 Council contribution, 2019).	Upgrade of the Waihi Beach track was completed in October 2018. \$125,000 was secured from the Ministry of Business, Innovation and Employment's (MBIE) Tourism Infrastructure Fund to go towards purchasing four mobile, fully-contained ablution pods and five solar powered rubbish compaction bins, one of which will be placed at Waihi Beach Reserve. Council will pay for the other half of the cost of the new infrastructure. The Waihi Beach ablution pod will be installed in the 2019/20 financial year.
Undertake upgrades to the Waverley Beach Holiday Park.	New playground was installed at Waverley Beach and the electricity supply and fittings to all powered sites were upgraded.

VIBRANT COMMUNITIES

Project/Priority	Progress
Continue to work on the Hāwera Town Centre Strategy.	The second Hāwera Town Centre re-development project, Korimako Lane, and the refurbishment of the Grubi Building was completed and opened in early December 2018.
Design and build 'CHALCI' (Centre for Heritage, Arts, Library, Culture and Information).	Concept designs were shared with the community and feedback integrated into the preliminary designs (completed in May 2019). The project received a huge boost in the form of a \$2.8 million grant from the TSB Community Trust in June 2019. Construction is planned to begin in early 2020 to be complete by July 2021.
Develop Town Centre Strategies for Eltham, Manaia, Ōpunakē, Pātea and Waverley over the next five years (\$100,000).	In May 2019, Council embarked on a consultation process to develop the 5 town centre masterplans in order to develop a suite of actions for each town's CBD which can be included in our 2021-31 Long Term Plan. The masterplans will be completed for Council's consideration in October 2019.

HE AROTAKENGA O TE TAU

Project/Priority	Progress
Earthquake strengthen the Hunter Shaw Building in Pātea and the Kaponga LibraryPlus.	Kaponga LibraryPlus was reopened in December 2018 after being earthquake strengthened and refurbished. Work started on earthquake strengthening Pātea's Hunter Shaw Building in April 2019 and is expected to be finished in September 2019.
Upgrade the Manaia Swimming Pool (\$623,000) staged over three years starting in 2018/19).	Upgraded the pools filtration plant.
Upgrade the Pātea LibraryPlus (\$300,000 in 2018/19).	The Pātea LibraryPlus refurbishments were completed in March 2019.

SUSTAINABLE RESOURCES

Project/Priority	Progress
Construct a new regional landfill, south of Eltham, called the Central Landfill.	After careful consideration and a detailed feasibility study STDC, along with the Stratford and New Plymouth District Councils, agreed to suspend further development (resulting in a write-off of \$2.23 million) of the Central Landfill near Eltham, bank the facility for future use and accept an offer from Midwest Disposals Ltd to send our waste to the Bonny Glen landfill, near Marton. The offer will save Taranaki ratepayers up to \$25 million over 35 years and enables us to focus on reducing waste going to landfill without raising the residential waste disposal costs. The 35-year agreement saves money, reduces risk, delivers long-term certainty and provides real incentive to minimise waste. We will begin taking our waste to Bonny Glen in the second half of 2019.
Reduce the total amount of waste going to landfill by 5% by 2023 through Council waste minimisation activities and introduce the ability to take e-Waste to the Hāwera Transfer Station.	The total waste diversion from landfill, inclusive of recycling and green waste was 33.13% for the year.
Complete the new Wai-inu Wastewater Treatment Plant by December 2018.	This project was delayed due to no tenders being received that met our specifications. After further investigation we decided to purchase a submerged aerated filter (SAF) plant for Wai-inu Beach. The new SAF plant will be installed and commissioned in November 2019.
Complete chlorination of the Pātea, Waverley, Waverley Beach and Wai-inu water supplies by 2019 (to meet changes that are expected to be made to the NZ Drinking Water Standards as a result of the recommendation of the Havelock North Inquiry).	Council began permanently treating the Pātea Water Supply with chlorine dioxide in December 2018.
Improve our water and wastewater infrastructure by reducing water loss (leakage) within our water networks and reducing water entering our wastewater (sewers) networks.	More than 200 Opito data loggers have been installed in Inaha farm water connections which make it easy to track individual farm consumption and to monitor night flows. Acoustic leak detection was carried out in Ōpunakē which has helped reduce minimum night flows from 27 to 18 m ³ /h - a saving of 9,000 litres of water every hour. Wastewater pipelines in Eltham, Hāwera and the Normanby trunk main were upgraded to improve pipe condition and reduce leakage of groundwater into our wastewater pipe network.

THE YEAR IN REVIEW

CONNECTED PEOPLE

Project/Priority	Progress
Spend an average of \$26.36 million pa on the road network (includes average \$7.3 million pa for depreciation), including an average annual spend of \$635,000 on footpaths.	The Council spent \$27.98 million on the road network in 2018/19 which included 79km of roads resealed, 7km of roads reconstructed and \$489,000 spent on 743 metres of footpaths.
Support the introduction of electric vehicle charging stations in the district by partnering with government funding agencies like EECA.	The Council, in partnership with Stratford District Council and ChargeNet, received \$96,000 in investment funding from the Government's Low Emission Vehicles Contestable Fund to support the installation of three electric vehicle (EV) fast chargers to be located at Ōpunakē, Waverley and Stratford. The Ōpunakē charging station was installed in September 2018 and the Waverley charging station will be installed in the next financial year.
Undertake a feasibility study to investigate the need for a location of a district Industrial/Business Park.	A Feasibility and Initial Business Case Study into the potential development of an Industrial Park in the district was started in April 2019. The study, which has been part funded by the Government's Provincial Growth Fund, is expected to be finished by September 2019, after which time Council will decide whether or not there is a case for further development and, if so, next steps towards establishment.

AFFORDABLE DEVELOPMENT

Project/Priority	Progress
Have an average rate increase limit of 3.65%.	The average rate increase for the year was 3.18%
Use debt to fund key infrastructural projects.	Council's total borrowing increased from \$128.18 million (2018) to \$128.51 million. This included \$14.91 million of internal borrowing (\$11.38 million in 2018).
Maintain or improve our credit rating.	S&P Global have revised our financial outlook from stable to positive and reaffirmed our credit rating as 'AA-/A-1+' A positive outlook reflects a one-in-three chance that S&P could raise the long-term ratings within the next two years.
Subsidise rates on average by \$6.5 million pa using earnings from the Long Term Investment Fund.	During the year the Council withdrew \$5.8 million from the LTIF to provide \$3.87 million to subsidise general rates and a further \$1.93 million to service interest and loan repayments for specific community projects. The full amount of the subsidy was not drawn due to timing of the projects.
Fund key projects (e.g. Hāwera Town Centre upgrade) by taking out a loan which is paid back over a number of years using annual drawdowns from Council's Long Term Investment Fund.	See above

HE AROTAKENGA O TE TAU

INDIVIDUAL GROUP HIGHLIGHTS:

Community and Infrastructure Services



The **Mayors' Taskforce for Jobs Innovation Challenge** was held in November 2018 with mixed teams of business representatives and students from the three South Taranaki high schools competing in a series of challenges including making a self-propelling mode of transport out of a pile of junk. The event was held as a response to feedback from South Taranaki businesses that they did not fully understand NCEA and did not understand how to use it in their business and particularly at job interviews.

Pedal Powered Pictures was also organised as part of National Youth/Tech Week in Hāwera in May 2019. Youth worked with business owners to put together 10 stationary bikes on a framework with peddlers generating enough power to run a digital projector, laptop and sound system except for one five-minute break in transmission.



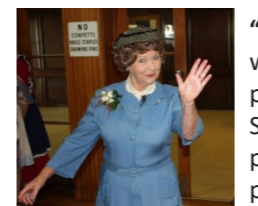
The **Waverley Clock** is now fully electronic, chiming and keeping good time, which the community is very happy about. Winding the clock stopped in June 2017 due to health and safety concerns around the clock's hand winding mechanism which required two people on site, and this had to be carried out every six days. The new system was installed by local contractors.

The annual **Arts in the Park** was held in December 2018 at **King Edward Park, Hāwera**. There were plenty of stallholders selling their amazing handcrafted products and the Arts Tipi attracted many children who enjoyed story times, paint blasting, flower power and making lots of noise with bucket drumming. On the stage were Karen Clarke and friends, Te Tira Whakamua Kapa Haka group opened the event and there was a roaming performance by the Hāwera Highland Pipe Band.



This year's Hall of Fame inductees were **Graham Mourie (Rugby)** and **Stan Lay (Athletics - Javelin)**. Graham Mourie attended the ceremony and John Lay (son of Stan) and other family members attended on behalf of Stan. The induction was well supported by members of groups which the two recipients had been involved with. Thanks were also extended to the Hāwera Rotary Club who are sponsors of the South Taranaki Sporting Hall of Fame.

Community Boards funded the installation of **drinking water fountains** across the District with the purpose of providing a healthier option and to encourage people to refill bottles thus reducing waste. These have been provided by the Eltham Community Board (Victoria Park, Kaponga and Taumata Park, Eltham) - Pātea Community Board (in front of the Pātea and Waverley LibraryPlus') and Egmont Plains Community Board installed one at the Ōpunakē Skate Park.



"Bringing Back Aunt Daisy" was the Council's contribution to the Heritage and Family History Week calendar which was put together by the Hāwera Genealogy Society. The audience of 250 were treated to stellar performances by Vivien Taylor as Maud Basham (Aunt Daisy), with her guest cooks Celine Filbee and Don Stockwell. Aunt Daisy's connection to Hāwera, Eltham and other parts of Taranaki gave the opportunity to promote a zero waste, no plastic, no harmful chemical message while providing a light-hearted look at a small part of our local history.

An **Industrial Park Feasibility and Initial Business Case Study** is being undertaken for the Council by two companies working together, Veros and Rationale, with the study part-funded by a Provincial Growth Fund grant. The consultants spent time in South Taranaki in May speaking to business people, land owners and Councillors with the aim of the study being to complete an assessment of costs and benefits; its activities and strategic fit, an indicative budget and structure, and recommendations as to whether there is a case for further development of the proposal, and if so, the next steps towards establishment. The study will be considered for approval by the Council in the new financial year.

THE YEAR IN REVIEW

Community & Infrastructure Services



The seven **LibraryPlus**' continue to provide a wide range of events and activities across the District. In the last year these have included Alpaca at Hāwera LibraryPlus as part of National Simultaneous Storytime, the Taranaki Secondary School Literature Challenge and Free Comic Book Day in May. Free Comic Book Day was attended by over 400 people, many participating in the various workshops offered. Members of the public, families, and LibraryPlus staff took the opportunity for some Cosplay, culminating in a parade in the Town Square.

Pātea residents and staff were pleased to move back into the **renovated Pātea LibraryPlus** facility. As well as the outside work, some interior work was done including renovating an under-used room to turn it into a space for our younger citizens to hang out in. The room has sliding doors which makes the room multipurpose - staff can open up the space for large events or groups or close the room off if there is a meeting being held. The opening was a real community affair with around 60 members of the public in attendance, as well as Councillors, Community Board Members and students from Pātea St Joseph's School.



Arts Fest South Taranaki was facilitated by the Arts Co-ordinator in Spring 2018. Held over ten days, the festival was launched by the 17th annual Taranaki National Art Awards Ceremony in Ōpunakē and coincided with the regions garden festivals. The district-wide event promoted galleries, artist studios, pop-up exhibitions, music gigs, art collectives, comedy shows, events, installations, creative workshops and a film festival to showcase our diverse and vibrant art community. Most venues were free to visit, and events utilised our district halls and venues.

Beech Place Reserve, an open field between Tawa and Ngaio Streets and Kamahi Avenue, is one of four areas in the Hāwera Ward where dogs are permitted unleashed. During the year, the area was fully fenced and gated so **dogs can run free while still enclosed in the reserve**. It is the start of a longer project which will include involvement from interested groups to plan and discuss landscaping and provide basic dog agility equipment for our pooches. A Doggy Doo bins area is also planned, and the Hāwera Community Board agreed to part fund 5 bins to be installed throughout Hāwera, including two at Beech Place Reserve, two on the Denby Road walkway and one at Ohawe Beach.



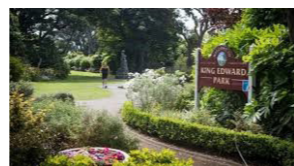
New playground equipment was installed at Ōpunakē Beach, Waverley Beach and Queen Elizabeth Park in Hāwera during the year.

Aotea Utanganui Museum of South Taranaki was the first museum in New Zealand to attain the rights to the **National Geographic exhibition Rarely Seen: Photographs of the Extraordinary**; visitors have been able to experience some of the world's most astounding phenomena, revealing a world very few have the chance to see for themselves. Inspired by the book NATIONAL GEOGRAPHIC RARELY SEEN: Photographs of the Extraordinary, it features 50 striking images shot by some of the world's finest photographers of places, events, natural phenomena, and man-made heirlooms seldom seen by human eyes.



The official **blessing and opening of Korimako Lane** was held in early December 2018. The commissioned artwork "Wings of Korimako" by Steve Molloy was also unveiled and blessed at the opening. Korimako Lane is the second of many projects to be completed as part of the Hāwera Town Centre re-development.

Hāwera's King Edward Park (KEP) was assessed for and awarded a **Green Flag Award** using eight criteria including horticultural standards, cleanliness, sustainability, community involvement, safety and a sense of welcome. The award is an internationally recognised mark of a quality park or green space. Internationally 14 countries participate in the award and KEP is one of only 23 recipients in New Zealand. The award reflects the dedication that goes into the park's ongoing development and year-round maintenance and is a tribute to the hard work of the Parks Team.



HE AROTAKENGA O TE TAU



Also, during the year King Edward Park in Hāwera was awarded another star by the New Zealand Gardens Trust **making it a Garden of National Significance**. As a 5-star garden the Park joins 60 other similarly ranked gardens nation-wide, including the Auckland, Wellington and Christchurch botanical gardens. King Edward Park also joins nine other Taranaki 5-star gardens, including; Pukeiti, Hollard Gardens and Pukekura - Brooklands Park in cementing the region's leading place in the New Zealand Garden Tourist trail.

More than 200 **Opito data loggers** have been installed in Inaha farm water connections. These have solar-charging panels and they enable the Council to easily track individual farm consumption and to monitor night flows of the farms, as this can indicate internal leakage losses, particularly during the non-milking season. This data also helps to find unresponsive meters which are either replaced or repaired which helps us to reduce unaccounted water. This project is now progressing towards Waimate West and beyond.



Acoustic leak detection was recently carried out in Ōpunakē. The contractor engaged, Detection Services, used specialised listening devices to detect unusually high flows of water. They detected 12 leaks on Council assets and eight leaks on private property which can now be repaired. This work has helped reduce minimum night flows in Ōpunakē from 27 to 18 m³/h. This represents a saving of 9,000 litres of water every hour.



25 mobile check meters are currently circulating in Pātea to find leaks on the customer side of the boundary. The meters register flow for several weeks and then are relocated to other properties. Some connections have been found to have high flows (possibly leaks) and these have been communicated with property owners to repair these internal leaks. This project will continue within Pātea and other towns to minimise water losses.

A programme to rehabilitate our **wastewater pipelines** by trenchless relining and traditional "dig-ups" continues. This year rehabilitation has included wastewater pipework in Eltham, Hāwera and the Normanby trunk main. This ongoing work has helped to improve pipe condition and reduce leakage of groundwater into our wastewater pipe network.

Contractors have been **testing many of our wastewater networks** to identify where stormwater drains, land drains and rooftop gutters have been connected to our wastewater networks. The presence of these connections can cause pipes to overflow wastewater into the environment and it also increases our energy costs because our wastewater pumps have more work to do. The testing programme involves pumping paraffin smoke into the sewers and inspecting properties to ensure the smoke is coming out of the appropriate pipework. We have smoke tested the towns of Ōpunakē, Eltham, Waverley and some parts of Hāwera.

On average we need to **reseal our sealed roads every 14 years**, with resealing coming in at around one tenth of the cost of full reconstruction works. Road resealing is the process of spraying bitumen onto a road pavement and then rolling in a layer of uniformly sized stones to create a new surface. This year 79km of road resealing was undertaken at a total cost of \$2.1m.



Roads containing significant pavement defects are not suitable for resealing and require more extensive and expensive pavement rehabilitation treatments. Pavement Rehabilitation is a major full width restoration of the road pavement to an 'as new' condition. Cape, Lower Newall, Mid Puniho, Denby and Lower Duthie Roads were completed this year resulting in completion of 7.2km of rehabilitation at a total cost of \$2.3m.

The Council would normally chlorinate the **Pātea water supply** several times a year to protect against dangerous bugs (bacteria) getting into the water and making people sick. From December 2018 this protective measure was increased and the Pātea water supply is now permanently treated using chlorine dioxide. This is a selective disinfectant that kills bacteria to protect public health whilst minimising unpleasant affects such as tastes, odours and skin irritation.

We **temporarily suspended water fluoridation of the Kapuni Water Supply** to conduct a fluoridation system inspection and to make possible modifications. The dosing system will be recommissioned once recommended modifications have been made.



Sand accumulations in the lower Waiaua River obstructed the water intake at the **Ōpunakē Water Treatment Plant** in late May 2019. Whilst the intake was being cleared water was supplemented from Cold Creek, in terms of an existing agreement. These actions, as well as conservation efforts by the community, assisted in returning the supply to normal within 24 hours. Continuity of supply and water quality to consumers was unaffected.



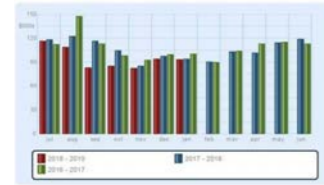
THE YEAR IN REVIEW

HE AROTAKENGA O TE TAU

After an unsuccessful attempt to tender the work for the Wai-inu Beach Wastewater Treatment Plant out as a “design and construct” project, the decision was made to take a different approach and purchase the plant direct from the suppliers and then have it installed. **The Wai-inu Beach Wastewater Treatment Plant** is currently on order. It is expected the Plant will arrive in September 2019 with installation planned to be completed and the plant commissioned in late November 2019.



Contractors have completed work to **replace the roof at TSB Hub**, over the fitness gym and the third court area. These roofs were retained as part of the original TSB Hub construction project and have come to the end of their life. We have experienced roof leaks over some years, which have proved too difficult to locate and repair.



STDC's **energy cost** from July 2018 to January 2019, compared to the last two years, is shown on the graph. Cumulative costs to January for the last 3 years are: 2016/17 \$760,963; 2017/18 \$735,760; 2018/19 \$661,197. The saving is approximately 10% when compared to the cost last year. This was achieved mainly through conversion of street lighting to LED, switching of two sites from standard metering to time of use metering and drier weather conditions in the months of August-November.

Environmental Services



District Plan Review – only one appeal on the Proposed District Plan remains unresolved. This relates to its Hazardous Substances provisions and some of the Plan's controls for petroleum activities. The hearing for this appeal began late in March 2018 and is still ongoing. The matters traversed by this appeal are wide ranging and unique to Taranaki so have not been explored by councils in other regions. We are hoping to have a decision from the Environment Court by the end of 2019. This will enable the Proposed District Plan 2015 to be made operative.

Resource Management Act Amendments – Late in 2018, Environment Minister David Parker announced a two-stage process to improve the country's resource management system. This will focus primarily on the Resource Management Act 1991 (RMA), in an effort to make the legislation more supporting of a productive, sustainable and inclusive economy. The Government also wants the RMA easier for New Zealanders to understand and engage with. The first stage involves amending the Resource Management Act 1991 by reversing some of the changes that were made to it under the previous government in 2017. Stage two is a more comprehensive review of the resource management system. The aim of this review is to improve environmental outcomes and enable better and timely urban development within environmental limits.



This year the **planning team processed 157 resource consents**, 101 for land uses and 56 for Subdivision. Compliance with the conditions of 146 granted consents were also monitored during the year.



The **Building Control Team** processed 609 building consents during the year. In December 2018, International Accreditation New Zealand (IANZ) visited to undertake the Bi-Annual Accreditation Audit of our Building Consent Authority, a number of issues were identified and subsequently resolved and when IANZ revisited in June 2019, the Building Control Team were commended for their excellent progress and **retained accreditation for two more years**.

The **Environmental Health Team** processed 139 health premises registrations, 120 alcohol licences and 95 Manager Certificates during the year. The team successfully transitioned **all** food businesses onto food control plans or national programmes depending on the food sector and any associated risk. The Food Act continues to put a lot of emphasis on managers of food businesses to show how they prepare and sell safe and suitable food. The Plan is audited by the Council's Environmental Health Officers (EHOs) once a year for higher risk food business or between 2/3 years for a lower risk business. This is a major change in how the EHOs verify food safety.



The Environment Health Team have found that managers of food businesses have had a lot of difficulty in finding the time to complete and maintain the recording and documentation of their Plan. This is despite the fact the EH Team have put in a lot of work and education over the transition period to make businesses aware of the new requirements. This difficulty is not uncommon across New Zealand with other councils and the Ministry for Primary Industries (MPI) reported the same issue. The EH Team have found that food premises operators were generally very good at maintaining a high level of food safety and suitability in their

premises but were still struggling with the documentation requirements of the Food Act.

The Food Act Quality Management System is nearing completion and will be finalised by the end of 2019. One EHO successfully completed MPI training and is now warranted as a Food Safety Officer for MPI.

A total of **1,354 Animal Control related complaints** were received during the 2018/19 year and compares to previous years as follows:

Type of Complaint received	2014/15	2015/16	2016/17	2017/18	2018/19
Dog Attack	42	63	65	67	49
Rushing/Threatening	21	18	32	49	46
Roaming	587	540	563	615	643
Barking	268	204	506	595	403
Welfare	45	34	12	16	3
General Dog Complaints	223	442	473	348	210
Total	1,186	1,301	1,651	1,690	1,354

The trend for reported incidents reflects improved recording into the Council's Customer Request Management system which then assisted in the management of the response (actions and response times). While the number of dog attacks have fluctuated over the previous years, it shows a decline in attacks for this year. The Council continues to be committed to reuniting lost dogs with their owners and re-homing suitable dogs. Of the 231 dogs which were impounded, 147 dogs were either returned to their owners or re-homed.

Corporate Services

During 2018, as part of the **Representation Review**, the Council reviewed things such as the number of councillors and wards we should have, whether we should have community boards and if so, how many, where the boundaries are and what the names of the wards and community boards ought to be. More than 20 submissions were made to the initial proposal and the Council made a few changes as a result of these submissions, around ward and board names. The Local Government Commission's approval was required as it was a non-complying proposal (one ward had less people per councillor than the other wards). The Council will consist of the Mayor elected at large, and 12 Councillors elected from four wards. There will be four community boards (same boundaries and names as the wards) with four elected members each and one Councillor appointed by the Council. These changes come into effect for the 2019 elections.

Earthquake-prone Priority Buildings – as we are in a medium seismic risk area, all earthquake-prone buildings in the District must be remediated or demolished within 25 years. A priority area would require that timeframe to be halved to 12.5 years. Under the Building Act 2004 amendments, the Council consulted with the public to identify priority areas in the District. After hearing submissions, the Council decided on Monday, 29 October 2018, that there were no earthquake-prone priority areas identified in the Hāwera, Eltham or Ōpunakē townships. The Council determined that there were insufficient volumes of pedestrian and vehicle traffic to warrant a priority classification.

Assistance to owners of Earthquake-prone Buildings - the assistance package has been in place since 2013 but it was only in 2019 that the first application was received. The Council at its meeting on 6 May 2019 approved the first application for the earthquake-prone buildings assistance package from Eltham Vet Services for their building at Railway Street, Eltham for a total of \$6,000. The Council has resolved to review the assistance package, given its slow uptake in recent years.

Bylaws Review - the Council has had a two-year project to review most of its bylaws. This has been a major project going across many departments. There are a range of activities covered by the bylaws from dog and livestock control to liquor control and water and wastewater. The bylaw review will be completed in September 2019. These bylaws will be in place for 10 years, unless there are changes to legislation or the Council decides to review them earlier.

As part of our **Community Vision Project**, Council staff went out to several community events over summer 2018/19 to ask people:

1. What do you love about – the District, your town, your community?
2. What ideas do you have for the future?
3. What could we do better?



THE YEAR IN REVIEW

Some of the places we went to included Arts in the Park, Summer Sounds on the Sand, Sounds in the Park, Ngāruahine Whanau Fun Day, Paepae in the Park, Movies in the Park, Manaia Fish 'n' Chip Night, Bunnings Sausage Sizzle and all LibraryPlus sites.

Since March 2019, we have been analysing the responses and have come up with community priorities that will inform and drive the next Long Term Plan 2021-31.



Work on the interior refits of our **Pensioner Housing units** continues with 47 completed at June 2019. We are on target to bring 90% of units up to a standard of 'good' or 'very good' with 67% of units now meeting the standard. Despite 11 vacancies during the year occupancy rates have remained at 100% for all units except for the 2 closed for refitting, reflecting the growing need for affordable accommodation. A highlight is achieving an operating surplus while continuing to offer subsidised housing at 80% of market rates.

Building Health and Safety - 28 Council buildings are required to hold a current Building Warrant of Fitness and in 2019 the Property Team celebrated achieving 100% compliance. Good progress has been made with the Asbestos assessments of the 193 buildings and structures owned by the Council. Initial assessments and testing have been completed for 114 buildings to date with 108 either having no evidence of asbestos or asbestos has been identified and removed. A further 80 require site inspections and possible testing.

Management of Leased Properties work commenced in 2018/19 on improvements to property management and tender processes. While this was in the early stages, improvements to income returns per hectare to grazing licences and a reduction in outstanding debt has already been noticed.



FINANCIAL COMMENTARY HE WHAKAMĀRAMATANGA PŪTEA



MAKING SOUTH TARANAKI
THE MOST
liveable
DISTRICT IN NZ

HIGHLIGHTS

Net surplus/(deficit)	(\$3,208,000)
Total assets	\$989 million
Total liabilities	\$139 million
Total equity	\$850 million

Statement of Financial Performance

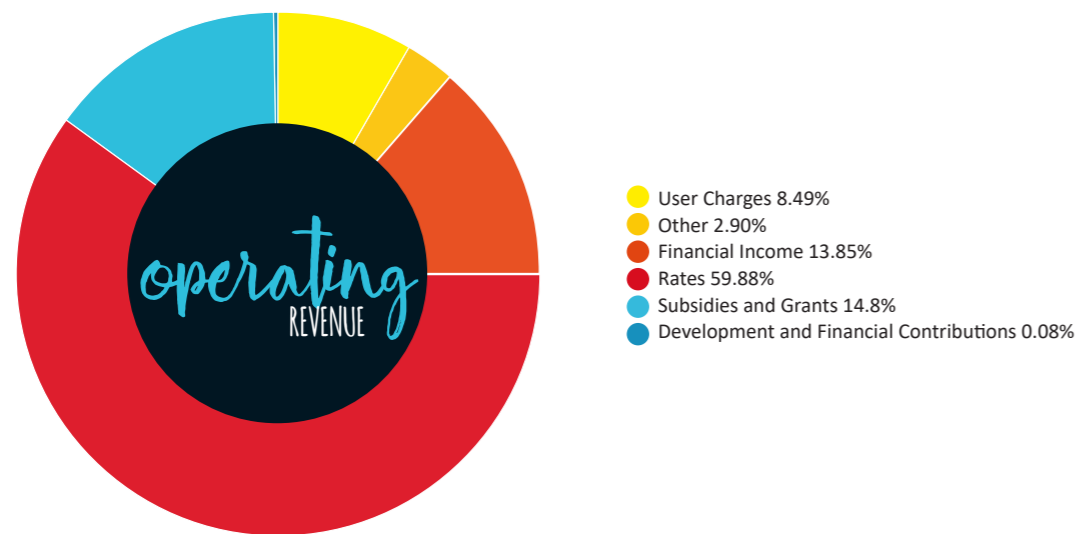
The Council finished the year with a \$5,816,000 operational surplus before unbudgeted adjustments (loss on derivative contracts \$5,121,000 and disposal of assets \$3,903,000). After taking these unrealised losses into account the Council finished the year with a deficit of \$2,612,000 against a budgeted surplus of \$2,123,000. The main contributors to the variance (\$5.3 million) are as follows:

Revenue

The total revenue was \$2.6 million more than budgeted. This included an additional \$1.0 million from the Long Term Investment Fund (LTIF) due to strong market conditions and \$1.4 million in additional subsidies and grants income from the NZTA and New Plymouth District Council (NPDC) in accordance with the Central Landfill Joint Committee Agreement for the Rotokare Road and SH3 upgrade.

Expenditure

- An unbudgeted adjustment for the \$1.7 million loss on infrastructure asset disposals.
- An unbudgeted adjustment for the \$2.2 million write off as Council's share due to the Central Landfill Joint Committee's decision to suspend further development of the Central Landfill.
- \$5.1 million unbudgeted adjustment for the loss on derivative contract (Swaps). A full explanation is provided in Note 23.
- \$1.5 million of savings on actual versus budgeted amounts for interest paid and depreciation due to delays in the Capital Works Programmes.



STATEMENT OF FINANCIAL POSITION

Net assets as at 30 June 2019

\$ Million	Actual 2018/19	Budget 2018/19	Actual 2017/18
Total assets	989	1,011	992
Less total liabilities	139	157	138
Net assets	850	854	854

Long Term Investment Fund (LTIF)

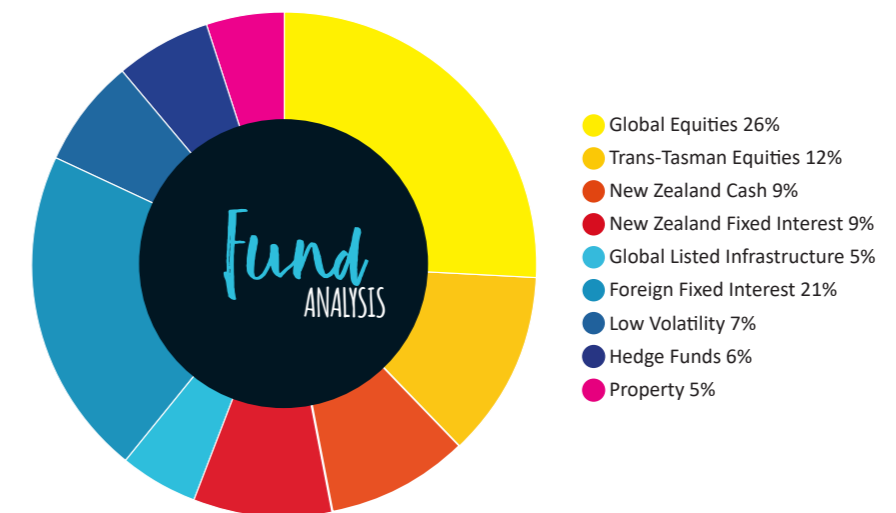
The value of the LTIF at 30 June 2019 increased to \$147.09 million (\$143.21 million in 2018) which included internal borrowing of \$14.91 million (\$11.38 million in 2018) after allowing for the withdrawal of the annual rates subsidy.

Term Debt

The total borrowing of the Council increased to \$128.51 million (\$128.18 million in 2018) which included \$14.91 million of internal borrowing (\$11.38 million in 2018).

External Funds

The budgeted return was \$8.75 million (\$0.63 million of interest revenue from internal borrowings) but the LTIF received a net return of \$10.09 million (\$0.73 million of interest revenue from internal borrowings) in the 2018/19 year as a result of strong market conditions. During the year the Council withdrew \$5.78 million for the annual rates subsidy and received \$0.97 million for internal loan repayments and \$0.64 million for the interest on internal loans.

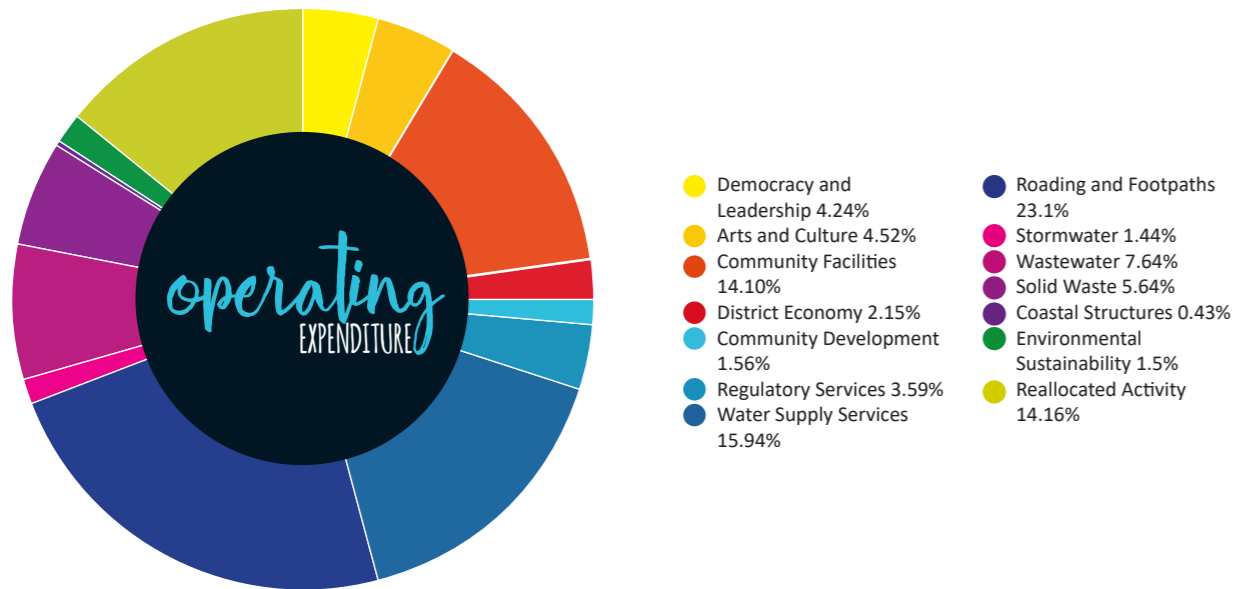
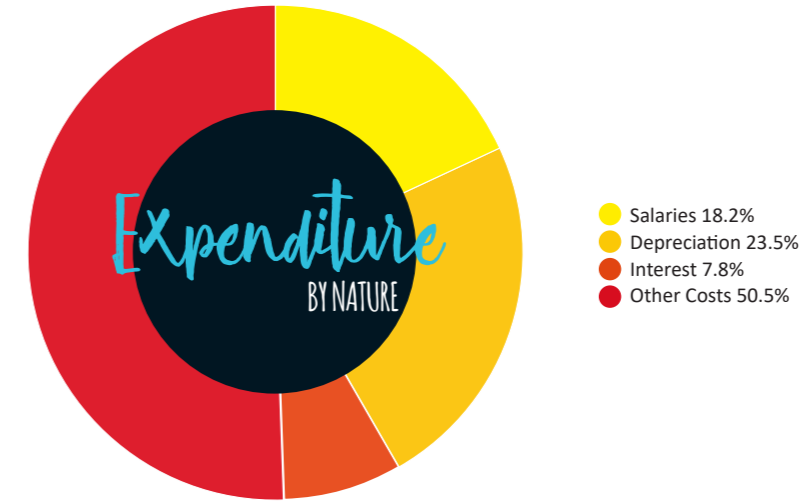


FINANCIAL COMMENTARY

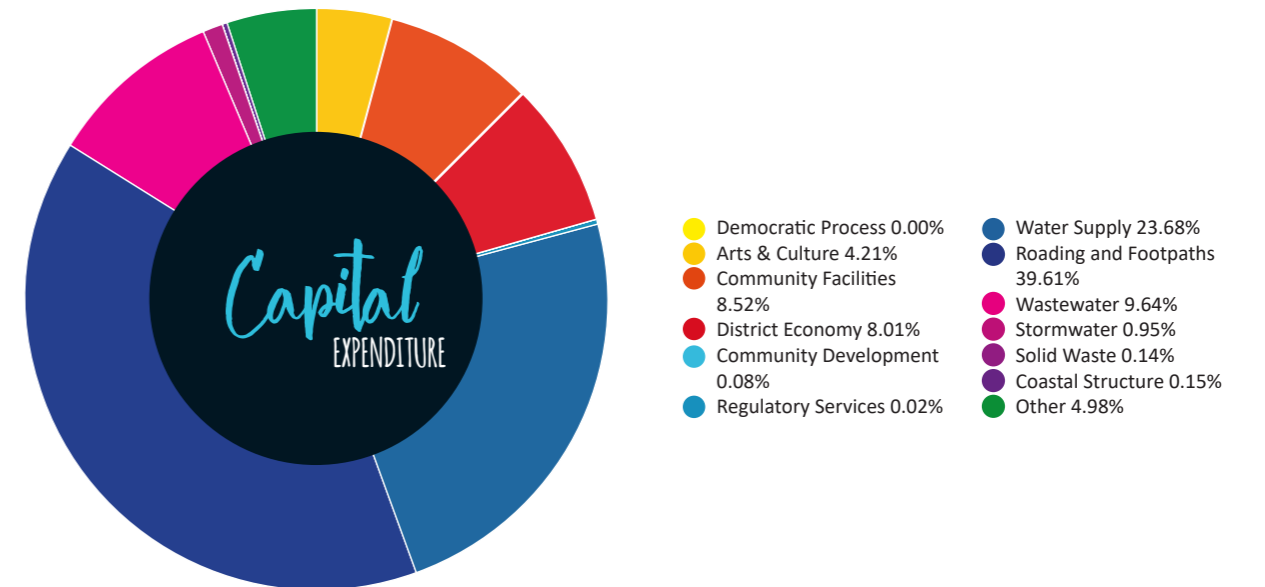
HE WHAKAMĀRAMATANGA PŪTEA

FINANCIAL PERFORMANCE AND MOVEMENTS IN EQUITY

(\$ millions)	Actual 2018/19	Budget 2018/19	Actual 2017/18
Operating revenue	68.32	65.74	74.66
Operating expenditure	71.53	63.62	66.62
Net operating surplus/(deficit)	(3.21)	2.12	8.04
Net Increase/(Decrease) in value of assets	(2.66)	40.00	14.71
Total Movements in Equity	(3.37)	34.00	8.01



Other Costs include: Roothing Operational Projects, Repairs and Maintenance, Insurance, Elected Members' Remuneration, Grants, Loss on Disposal of Assets, Loss on Derivatives, LTIF Management Fees etc.



STATEMENT OF COMPLIANCE AND RESPONSIBILITY

COMPLIANCE

1. The Council and Management of the South Taranaki District Council confirm that all the statutory requirements in relation to the Annual Report as required by the Local Government Act 2002 have been complied with.

RESPONSIBILITY

2. The Council and Management of the South Taranaki District Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.
3. The Council and Management of the South Taranaki District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
4. In the opinion of the Council and Management of the South Taranaki District Council, the annual financial statements for the year ended 30 June 2019 fairly reflect the financial position and operations of the South Taranaki District Council.



ROSS DUNLOP
Mayor
9 October 2019



WAID CROCKETT
Chief Executive
9 October 2019

INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

TO THE READERS OF SOUTH TARANAKI DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

The Auditor-General is the auditor of South Taranaki District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Chris Webby, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report. We completed our work on 9 October 2019. This is the date on which we give our report.

OPINION ON THE AUDITED INFORMATION

In our opinion:

- the financial statements on pages 110 to 119 and pages 137 to 179:
 - ⊙ present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2019;
 - the results of the operations and cash flows for the year ended on that date; and
 - ⊙ comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 134, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan;
- the performance measures on pages 32 to 106:

- ⊙ presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2019, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- ⊙ complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 120 to 133, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 120 to 133, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

REPORT ON THE DISCLOSURE REQUIREMENTS

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 180 to 186, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council's long-term plan and annual plans.

INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

BASIS FOR OUR OPINION ON THE AUDITED INFORMATION

We carried out our audit 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. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

RESPONSIBILITIES OF THE COUNCIL FOR THE AUDITED INFORMATION

The Council is responsible for meeting all legal requirements that apply to its annual report. The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit, that is free from material misstatement, whether due to fraud or error. In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDITED INFORMATION

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a

material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's Long-term plan. We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the performance measures, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER INFORMATION

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 4 to 26, 30, 135 to 136 and 188 to 192, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure

requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENCE

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the District Council's debenture trust deed, which is compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.



Chris Webby
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

ABOUT THIS REPORT

Our reporting is comprehensive, for each activity group you will find:

- What we do
- Why we do it
- Whether we met our performance targets
- Whether we met budget

All of our work aims to contribute to the long term vision and the community outcomes we want for the District.

PERFORMANCE MEASURES

The performance measures within this Annual Report were adopted by the Council as part of the 2018-28 Long Term Plan. We get performance information from a wide variety of sources: Council systems such as the complaints records management system, the finance system, databases for quality tests; satisfaction surveys; and reports from external organisations (Taranaki Regional Council and District Health Board).

Satisfaction Surveys

The Council 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 for 2018/19 was conducted by Research First using a sample of 400 residents over the age of 18 years and representative of the population in terms of ward and gender. The maximum margin of error is +/- 4.9%.

The survey is mainly conducted by phone (sample of 400) however an additional online channel was also available of which 139 were completed. However, the results focus on the telephone sample, as the sample from the online survey should not be viewed as representative of the District's population as they are self-selecting and fundamentally different from that provided through the telephone approach which was based on random sampling, where respondents are invited to take part. Self-selecting respondents are likely to have characteristics and opinions that are not consistent with the general population. However, the detailed results of the online survey are available on request.

The following scale was used for residents to rank their level of satisfaction:

- Very satisfied
- Satisfied
- Neutral
- Dissatisfied
- Very dissatisfied; and
- Don't know/unable to say.

The performance measure results in this Annual Report that use Research First survey results to gauge satisfaction utilise the combined responses "very satisfied", "satisfied" and "neutral" unless otherwise stated.

In-house surveys are also conducted by various Groups in Council.

NON-FINANCIAL PERFORMANCE MEASURES

	Achieved
	At Risk
	Not Achieved
N/A	This measure is not applicable for this year

DEMOCRACY & LEADERSHIP TE POUMANUKURA



MAKING SOUTH TARANAKI
THE MOST
liveable
DISTRICT IN NZ

DEMOCRACY & LEADERSHIP

TE POUMANUKURA

WHAT WE DO

The Council has a Mayor elected across the District and 12 Councillors elected from four wards (Hāwera-Tangahoe, Egmont Plains, Eltham and Pātea). There are 16 Community Board members on four Community Boards – Hāwera-Tangahoe, Egmont Plains, Eltham and Pātea.

Councillors are the governing body for the Council and make decisions relating to the level and standard of the services; determine policies for its activities, investments, borrowings, identify partnerships with other agencies and capacity building for Māori, set the rates and charges each year and approve the Long Term Plan and subsequent annual plans.

Community Board members are elected to ensure local people have a voice on local issues and provide a direct link between the community and the Council. Another forum for representation is the Iwi Liaison Committee. This Committee provides an opportunity for two members from each Iwi within South Taranaki to discuss issues with the Mayor, Deputy Mayor, Chair of the Environment and Hearings Committee and Council staff and can make recommendations to the Council. The four Community Boards and the Iwi Liaison Committee all have discretionary funding for community projects and assistance, the amount determined by the Council.


The Environment and Hearings Committee hears all notified resource consent applications on behalf of the Council.

WHY WE DO IT


Councils are statutory bodies given powers to exercise under legislation from Central Government. As outlined in the Local Government Act 2002 one of the main purposes of councils is to enable democratic local decision-making and action by, and on behalf of local communities in an open and transparent manner. This means the Council has a responsibility to consider how we are meeting the needs of our community and how we provide opportunities for all residents to participate in the decision-making process. To do this well the Council needs to actively keep residents informed about what is happening at the Council, how decisions will affect them and clearly explain how they can be involved in decision-making.

HOW WE PERFORMED


Performance Measure 1 – Council is moving in the right direction

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
We make well informed decisions that support the current and future needs of the community, in an open and transparent manner.	% of residents who feel that the Council is moving in the right direction.	New measure	≥ 80%	 The Annual Resident's Survey showed that 90% of residents feel that the Council is moving in the right direction.


Performance Measure 2 – Council decisions in best interest of the community

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
We make well informed decisions that support the current and future needs of the community, in an open and transparent manner.	% of residents who agree decisions made by Council represent the best interests of the District.	Achieved. 76%	≥ 70%	 The Annual Resident's Survey showed that 77% of residents thought that decisions made by the Council represent the best interests of the District.



Performance Measure 3 – Satisfaction with the opportunity to participate in Council decision-making processes

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
We engage with our community and provide opportunities for the community to participate in decision-making.	% of residents who are satisfied or neutral with their opportunity to participate in Council decision-making processes.	Achieved. 87% (target 60%)	≥ 80%	 The Annual Resident's Survey showed that 86% of residents were satisfied with their opportunities to participate in Council decision-making processes.

Performance Measure 4 – Residents who know where to access Council information

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
We keep residents informed of Council activities through a variety of media.	% of residents who know where to access Council information when they want it (eg website, newspaper, Libraries, Contact Centre).	Achieved. 91% (target 85%)	≥ 85%	 The Annual Resident's Survey showed that 90% of residents know how to get Council information if they want it.

Performance Measure 5 – Iwi representatives appointed to Iwi Liaison Committee/Council's Standing Committees

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
We have strong relationships with local Iwi and work together in a range of ways so that their perspectives inform our decisions.	Iwi representatives are appointed to the Iwi Liaison Committee and the Council's standing committees.	New measure	Achieved	 Iwi representatives have been appointed to the Iwi Liaison Committee by the relevant Iwi.
			Achieved	 The appointment of Iwi representatives onto Standing Committees is still a work in progress.

DEMOCRACY & LEADERSHIP

TE POUMANUKURA

BUILDING MĀORI CAPACITY TO CONTRIBUTE TO COUNCIL DECISION-MAKING POLICY

The Council is committed to upholding the mana of Māori by building strong relationships with Iwi and to provide opportunities for Māori to contribute effectively and actively in decision-making processes that will affect the wider community.

The Iwi Liaison Committee is one forum the Council uses for sharing information, discussing and gaining an individual and collective perspective on matters affecting Māori and seeking recommendations on Iwi-related issues requiring a Council decision. Throughout the year the Committee receive updates on the Council activities, discussion documents on requested items and briefings for the Long Term Plan consultation.

NGĀ KAWENGA Ā TE KAUNIHERA - COUNCIL'S ROLE AND RESPONSIBILITY

- To build and maintain opportunities for Māori to contribute to decision-making processes within the South Taranaki District.
- To consider ways in which the South Taranaki District Council (Council) will develop this process in the future.

TE KORONGA Ā TE KAUPAPA HERE - PURPOSE OF THE POLICY

- To provide more opportunities for Māori to contribute to decision-making within the South Taranaki District Council. To assist Iwi and the Council to work collaboratively to meet the needs of Māori, by developing strong relationships through te reo Māori, Māori representation on Committees and a Bi-lingual Policy.

NGĀ WHAINGA PAETAE - OBJECTIVES

- To have direct appointments of Māori delegates to Committees and Portfolio Groups which allow Māori to have a voice in Committee decisions.
- To employ an Iwi Liaison Advisor (ILA) who will be the liaison between Council and Iwi.
- To develop a Te Reo Māori Policy that ensures the Council acknowledges and promotes the use of te reo Māori in everyday use throughout the organisation.
- To introduce a Bi-lingual Policy to the organisation.
- To provide a Te Reo Māori and Cultural workshop for all Councillors about the local rohe and the importance of Iwi engagement with the Council.
- To actively promote and participate in Māori activities within the region.
- To develop a Mana Whakahono-a-Rohe Agreement between local Iwi.
- To have biannual Iwi forums to present and discuss upcoming activities of importance to Iwi.
- To consult with Iwi in relation to Reserve Management Plans.
- To develop better communication by working with Iwi to produce articles and information to inform the Māori community.

KAUPAPA HERE - POLICY

The Policy looks at building capacity for Māori to contribute to decision-making with the introduction of the following policies and initiatives:

HERENGA TŪTURU - DIRECT APPOINTMENTS

- Appointment of Māori representatives to Committees and Portfolio Groups. For example, the Environment and Hearings Committee. There will be between one and two appointees depending on the Group.

KAITAKAWAENGA Ā-IWI – APPOINT AN IWI LIAISON ADVISOR

- Provide direction, advice and support to the Council, Chief Executive and staff of the South Taranaki District Council on issues of significance to Iwi/Māori.
- Develop and maintain good relationships with Iwi/hapū.
- Provide advice and support for the development of Council policy and strategic partnerships with Iwi/hapū.
- Encourage Iwi/hapū participation by providing a point of contact, support and advice for the Iwi Liaison Committee members.

TE KAUPAPA HERE O TE REO MĀORI - TE REO MĀORI POLICY

The introduction of a Te Reo Māori Policy to encourage and promote te reo Māori within the Council organisation and over time the District. The use of te reo Māori within the main administration building. To promote active use of te reo Māori in conversations and acknowledgements.

TE TOHU REORUA – BI-LINGUAL SIGNS

- The development of bilingual signage around the community and the Council organisation for the promotion and encouragement of the language to be used within South Taranaki.
- This will be a long term programme that will involve utilising Kaumatua and language experts of Taranaki to provide appropriate signage for the Iwi location.
- Replacement of old signs with new bi-lingual signs.

MAHI-A-IWI - ACTIVE PARTICIPATION IN MĀORI EVENTS

- The development of Iwi activities with Council support. By providing advice and/or resources, such as Taranaki Tū Mai or Ngā Manu Kōrero-ā-Rohe Speech Competitions.
- To encourage Council to be actively participating in Iwi led activities. To promote positive relationships at Iwi events and give support.

AWHEAWHE-A-IWIKINGĀ KAUNIHĒRA-ELECTED MEMBERS CULTURAL WORKSHOP

- Workshop to assist elected members to have a basic and informative introduction to working and engaging with Iwi in a positive environment. This will be run at the beginning of each triennium following the Local Government Elections and will focus on assisting elected members with pronunciation, local history, Iwi information and tikanga.

MANA WHAKAHONO-A-ROHE

- To develop a Mana Whakahono-a-Rohe (MWR) agreement with local Iwi. This will encourage positive engagement with Iwi under the Resource Management Act 1991 and the 2017 amendments.

HUI TŌPŪ-A-MĀRAMARUA - BIENNIAL IWI FORUMS

- Meet biannually with Iwi leaders for the discussion and recommendation of current issues pertinent to Māori. For example, the Iwi Chairs Forum. Presentation at Rūnanga hui by Iwi Liaison Advisor to deliver current activities being carried out by the Council which involve Iwi.
- Parihaka 18th and 19th Forum – Iwi Liaison Advisor to attend biennially to give feedback and information on activities relevant to Taranaki Iwi.
- Kaumatua Kaunihera Hui – Iwi Liaison Advisor to deliver information to Iwi Kaumatua on current actions undertaken by the Council within the District that impact upon Iwi. For example, Kaumatua Kaunihera o Ngāruahine.

MAHERE KAITIAKI WHENUA - RESERVE MANAGEMENT PLAN

- Iwi hui to discuss activities of importance to Iwi in relation to specific reserves within their rohe.

PARI KARANGARANGA – IWI COMMUNICATIONS

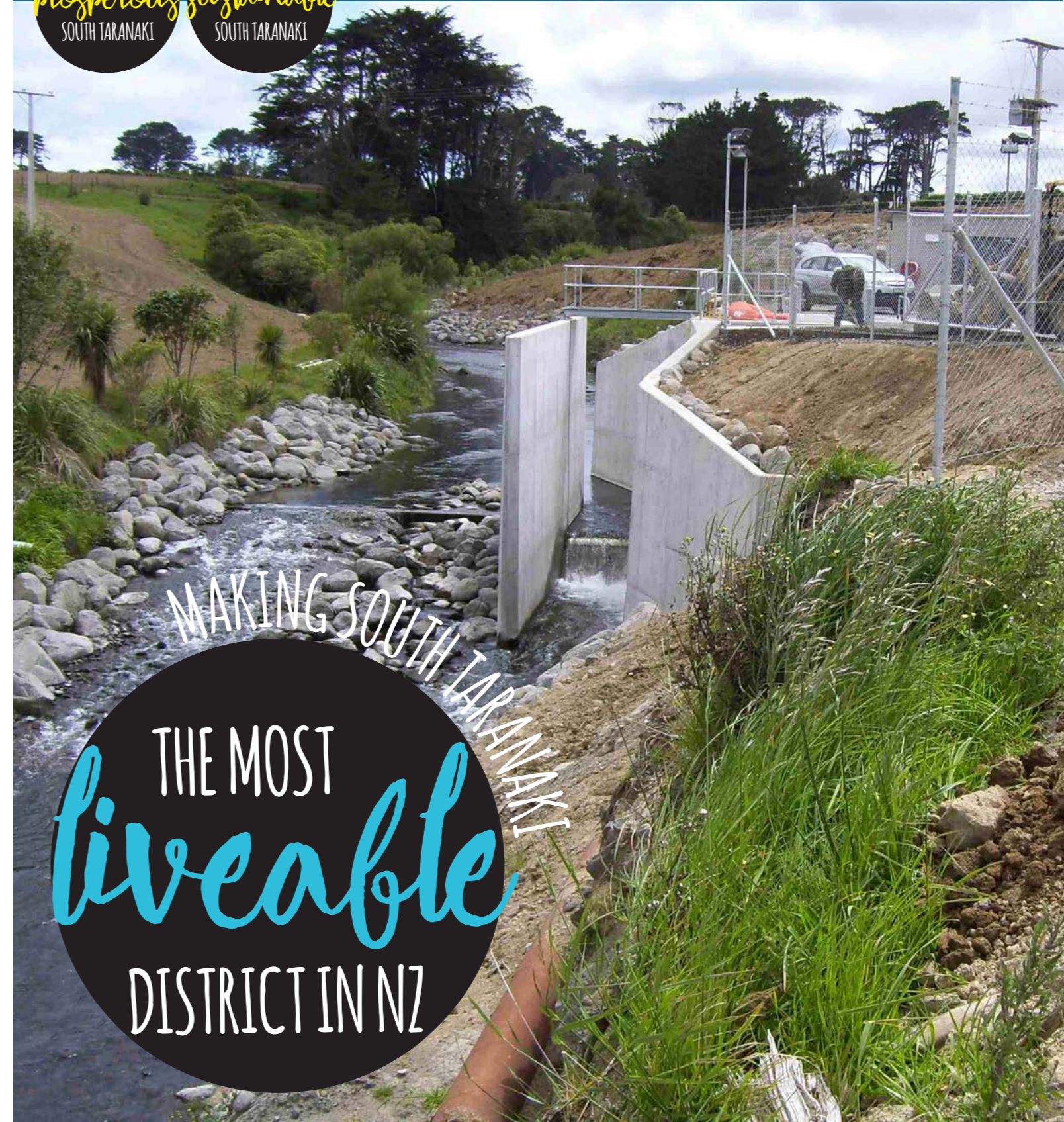
- The Iwi Liaison Advisor will work with Iwi to produce articles and information of activities the Council are involved in which affect relevant Iwi to be shared with the Māori community.

DEMOCRACY & LEADERSHIP

PROGRESS ON THESE OBJECTIVES:

- To have direct appointments of Māori delegates to Committees and Portfolio Groups which allow Māori to have a voice in Committee decisions. **Two iwi representatives were appointed to the Portfolio Groups during 2018/19. The two appointments to the Committees will be made during 2019/20.**
- To employ an Iwi Liaison Advisor who will be the liaison between Council and Iwi. **This role was established many years ago and the ILA has an ongoing commitment to liaising between Council and Iwi.**
- To develop a Te Reo Māori Policy that ensures the Council acknowledges and promotes the use of te reo Māori in everyday use throughout the organisation. **This Policy was adopted during 2018/19.**
- To introduce a Bi-lingual Policy to the organisation. **This was incorporated into the Te Reo Māori Policy.**
- To provide a Te Reo Māori and Cultural workshop for all Councillors about the local rohe and the importance of Iwi engagement with the Council. **This Workshop was held during 2018/19 and will be continued in future years.**
- To actively promote and participate in Māori activities within the region. **Various activities have been attended and supported by the ILA, staff and Elected Members and this will continue to be an ongoing focus.**
- To develop a Mana Whakahono-a-Rohe Agreement between local Iwi. **This work has progressed during the year with all councils involved and the majority of Iwi.**
- To have biannual Iwi forums to present and discuss upcoming activities of importance to Iwi. **Some forums have been held between Iwi and the Chief Executive.**
- To consult with Iwi in relation to Reserve Management Plans (RMPs). **Iwi has been consulted on the work done to date on RMPs and this consultation will continue as they are developed further.**
- To develop better communication by working with Iwi to produce articles and information to inform the Māori community. **Council officers meet with Iwi after every second ILC meeting to discuss council activities and projects and any potential issues which Iwi would like to discuss.**

WATER SUPPLY NGĀ PUNA WAI



MAKING SOUTH TARANAKI
THE MOST
liveable
DISTRICT IN NZ

WATER SUPPLY

WHAT WE DO

The Council owns and manages 10 water production facilities, 37 reservoirs and 642km of water mains delivering this service. The water supplies provide an average of over 30 million litres of drinking water each day to meet the demand of residential, agricultural and industrial customers. Water is available 24 hours a day, seven days a week and requires treatment to meet the quality standards as defined by the Health Act.

WHY WE DO IT

Water is sourced from the many streams that flow from Mount Taranaki and bores to ensure there is sufficient quantity and quality of water. Streams supply most of the water supply, but boreholes are preferred as they are more reliable in a drought, have less impact on the environment and compliance with drinking water standards generally costs less. Boreholes are used in the following areas; Pātea, Waverley, Waverley Beach and Wai-inu with boreholes being used to supplement the supplies at the Kapuni and Waimate West Water Treatment Plants.

Water supply is the most critical infrastructure service provided by the Council. It is essential for the health and wellbeing of the population and is required in large volumes to sustain existing domestic, agricultural and industrial customers. Having the ability to access additional water is also required to facilitate economic development in the District. The Local Government Act requires that we continue to provide water supply services and maintain their capacity. The Council needs to manage water resources in an environmentally sustainable way, and this is achieved by reducing waste/water loss and encouraging appropriate water use.

The quantity of water taken from streams is regulated by the Taranaki Regional Council, who administers consents issued under the Resource Management Act, to sustain and protect the environment. With the use of Water Outlook, a data management software, Council is able to monitor water demand daily ensuring water is not leaking from our pipes, or on customers' properties so the Council are able to account for what is abstracted under the condition of resource consents.


In order to adequately operate the reticulation systems, a minimum storage capacity of 24 hours is desirable and all plants except Waimate West provide more than 24 hours storage capacity. Waimate West has a minimum storage capacity of 18 hours. High levels of storage capacity allow water treatment plants to reduce water production when there is heavy rainfall where water can become more difficult to treat. Storage also provides resilience in the event of natural disasters or emergencies which affect water supply.

SIGNIFICANT NEGATIVE EFFECTS

Most of our drinking water is taken from river sources. Reducing river flow can have a negative effect on the ecosystem of rivers, however the Resource Management Act resource consent process recognises this and the Taranaki Regional Council apply principles set out in the Regional Fresh Water Plan when considering permission to abstract water from streams and bores.


HOW WE PERFORMED

Performance Measure 1 – Number of complaints received about continuity of supply (per 1,000 connections) – DIA Performance Measure 4d


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The water supply is accessible and reliable.	Number of complaints received about continuity of supply (per 1,000 connections). DIA Performance Measure 4d	Not achieved. 9.63 (target ≤ 9)	≤ 10 (new)	 7.2 complaints per 1,000 were received for the year.

NGĀ PUNA WAI


Performance Measure 2 – Duration of water outage to comply with the Health Drinking Water Amendment Act

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The water supply is accessible and reliable.	Duration of water outage to comply with the Health Drinking Water Amendment Act.	New measure	≤ 8 hrs	 One water shutdown exceeded 8 hours for the entire year due to a leaking coupling when the water was turned on. The coupling had to be replaced which extended the outage duration.

Performance Measure 3 – Median response time for service personnel to attend urgent call-out - DIA Performance Measure 3a


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The water supply is accessible and reliable.	Median response time for service personnel to attend urgent call-out. DIA Performance Measure 3a	Achieved. 33m	≤ 2 hrs	 The median response time for service personnel to attend urgent call-outs for the year was 31 minutes.

Performance Measure 4 – Median response time for service personnel to resolve urgent call-out (P1 < 250 mm diameter main) - DIA Performance Measure 3b


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The water supply is accessible and reliable.	Median response time for service personnel to resolve urgent call-out (P1 < 250 mm diameter main). DIA Performance Measure 3b	Achieved. 1h/57m	≤ 5 hrs	 The median response time for service personnel to resolve urgent call-outs for the year was 2 hours 24 minutes.

WATER SUPPLY


Performance Measure 5 – Median response time for service personnel to resolve urgent call-out (P1 ≥ 250 mm diameter main) - DIA Performance Measure 3b

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The water supply is accessible and reliable.	Median response time for service personnel to resolve urgent call-out (P1 ≥ 250 mm diameter main). DIA Performance Measure 3b	Not achieved. 16h/47m	≤ 9 hrs	 There have been no urgent call-outs recorded for the year.

Performance Measure 6 – Median response time for service personnel to attend non-urgent call-out (P2) - DIA Performance Measure 3c

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The water supply is accessible and reliable.	Median response time for service personnel to attend non-urgent call-out (P2). DIA Performance Measure 3c	Achieved. 1d/17h/35m	≤ 2 days	 The median response time for service personnel to attend non-urgent call-outs (P2) for the year was 1 day, 1 hour and 51 minutes.

Performance Measure 7 – Median response time for service personnel to attend non-urgent call-out (P3) - DIA Performance Measure 3c


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The water supply is accessible and reliable.	Median response time for service personnel to attend non-urgent call-out (P3). DIA Performance Measure 3c	Achieved. 4d/1h/51m	≤ 5 days	 The median response time for service personnel to attend non-urgent call-outs (P3) for the year was 2 days 16 hours and 22 minutes.

NGĀ PUNA WAI


Performance Measure 8 – Median response time for service personnel to resolve non-urgent call-out (P2) - DIA Performance Measure 3d

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The water supply is accessible and reliable.	Median response time for service personnel to resolve non-urgent call-out (P2). DIA Performance Measure 3d	Achieved. 1d/21h/41m	≤ 2 days	 The median response time for service personnel to fully complete non-urgent call-outs (P2) for the year was 1 day, 6 hours and 25 minutes.

Performance Measure 9 – Median response time for service personnel to resolve non-urgent call-out (P3) - DIA Performance Measure 3d


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The water supply is accessible and reliable.	Median response time for service personnel to resolve non-urgent call-out (P3). DIA Performance Measure 3d	Achieved. 4d/22h/33m	≤ 5 days	 The median response time for service personnel to fully complete non-urgent call-outs (P3) for the year was 2 days, 19 hours and 15 minutes.

Performance Measure 10 – Extent of compliance with current NZ Drinking Water Standards (for bacteria) - DIA Performance Measure 1a

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Water supplied is clean and healthy.	Extent of compliance with current NZ Drinking Water Standards (for bacteria). DIA Performance Measure 1a	Achieved. 10/10	10/10	 All plants and reticulated networks complied with Drinking Water Standards NZ for the year.

WATER SUPPLY


Performance Measure 11 – Extent of compliance with NZ Drinking Water Standards (for protozoa) - DIA Performance Measure 1b

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Water supplied is clean and healthy.	Extent of compliance with NZ Drinking Water Standards (for protozoa). DIA Performance Measure 1b	Not achieved. 7/10	10/10	 (8/10). For the year only 8 out of 10 supplies attained compliance. Two supplies (Waverley Beach and Wai-inu) do not have the Protozoa removal as yet. DWA Annual Audit confirms.

Performance Measure 12 – Water Safety Plans approved by DHB


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Water supplied is clean and healthy.	Water Safety Plans approved by DHB.	Not achieved. 7/10	10/10	 (7/10). Current Water Safety Plans (WSPs) exist for all supplies with Drinking Water Standard (DWS) requirements. Hāwera and Waverley WSP's have been updated and lodged with the DWA. Small supply WSPs; Inaha, Waverley Beach and Wai-inu are in draft only.

Performance Measure 13 – Real water losses over all supplies - DIA Performance Measure 2

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The water supply is managed sustainably.	(T) % Water Losses DIA Performance Measure 2	Achieved. 13.5% (target ≤ 15%)	≤ 11%	 Although the current target was not achieved for the year, there has been a decline in water losses from 13.5% to 13.0% when compared to the previous year. The infrastructure leakage index has also reduced to 3.4 from 3.8 in 2017/18.

NGĀ PUNA WAI


Performance Measure 14 – Average consumption of drinking water per day per resident - DIA Performance Measure 5

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The water supply is managed sustainably.	Average consumption of drinking water per day per resident. DIA Performance Measure 5	Not achieved. 405 L/c/d (target 350)	≤ 360 L/c/d	 However, consumption has reduced from 405 L/c/d in 2017/18 to 394 L/c/d for this year.

Performance Measure 15 – Compliance with resource consents for abstraction


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The water supply is managed sustainably.	Compliance with resource consents for abstraction.	Not achieved. 90%	100%	No report has been received from TRC for 2018/19 as yet. There were minor WTP discharge variances at Kapuni, Ōpunakē and Waimate West plants, however, the annual compliance from TRC is anticipated to be compliant.

Performance Measure 16 – Number of complaints received about drinking water clarity (per 1,000 connections) - DIA Performance Measure 4a


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Consumers are satisfied with the Water Supply service.	Number of complaints received about drinking water clarity (per 1,000 connections). DIA Performance Measure 4a	Achieved. 0.84 (target ≤ 2)	≤ 3	 1.87 complaints about drinking water clarity per 1,000 connections were received for the year.

WATER SUPPLY


Performance Measure 17 – Number of complaints received about drinking water taste (per 1,000 connections) - DIA Performance Measure 4a

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Consumers are satisfied with the Water Supply service.	Number of complaints received about drinking water taste (per 1,000 connections). DIA Performance Measure 4a	Achieved. 0.84 (target ≤ 2)	≤ 3	 1.12 complaints about drinking water taste per 1,000 connections were received for the year.

Performance Measure 18 – Number of complaints received about drinking water odour (per 1,000 connections) - DIA Performance Measure 4b


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Consumers are satisfied with the Water Supply service.	Number of complaints received about drinking water odour (per 1,000 connections). DIA Performance Measure 4b	Achieved. 0.75 (target ≤ 2)	≤ 3	 0.56 complaints about drinking water odour per 1,000 connections were received for the year.

Performance Measure 19 – Number of complaints received about drinking water pressure or flow (per 1,000 connections) - DIA Performance Measure 4c

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Consumers are satisfied with the Water Supply service.	Number of complaints received about drinking water pressure or flow (per 1,000 connections). DIA Performance Measure 4c	Not achieved. 5.05 (target ≤ 2)	≤ 3	 4.39 complaints about drinking water pressure per 1,000 connections were received for the year.

NGĀ PUNA WAI


Performance Measure 20 – Number of complaints received about response to the above (per 1,000 connections) - DIA Performance Measure 4e

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Consumers are satisfied with the Water Supply service.	Number of complaints received about response to the above (per 1,000 connections). DIA Performance Measure 4e	Achieved. 0 (target ≤ 1)	≤ 2	 No reported complaints were received about response to the above for the year (as per complaints register).

Total of Performance Measures 16-20 – Total number of customer complaints received (per 1,000 connections) - DIA Performance Measures 4a-4e

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Consumers are satisfied with the Water Supply service.	Number of complaints received (per 1,000 connections). DIA Performance Measures 4a-4e	Achieved. 17.11 (target ≤ 18)	≤ 24	 15.14 complaints per 1,000 connections were received for the year.

Performance Measure 21 – Consumers are satisfied with the Water Supply overall

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Consumers are satisfied with the Water Supply service.	% of consumers satisfied with the Water Supply overall.	Achieved. 83%	≥ 80%	 82% of residents surveyed were satisfied with the Water Supply overall.

* The times shown for “attendance” and “resolution” are reported by the service provider, Veolia as part of their contracted responsibilities. This includes travel time. The Council periodically monitors these timelines to verify accuracy on a sample basis.



STORMWATER

TE WAI ĀWHIOWHIO ME ŌNA RĪTENGA



MAKING SOUTH TARANAKI

THE MOST
liveable
DISTRICT IN NZ

STORMWATER

TE WAI ĀWHIOWHIO ME ŌNA RĪTENGA

WHAT WE DO

The Council manages and maintains stormwater assets made up of culverts, channels, collectors and outfalls. Our 106 kilometres of stormwater reticulation network comprises of manholes to effectively divert stormwater from roads to natural water courses, with all stormwater eventually exiting to the sea. The Council uses the Stormwater Asset Management Plan to assess the changes in demand, levels of service and how the maintenance, renewal and replacement of assets will be undertaken.

The Council encourages residential properties to control stormwater internally via soakage and not through the Council's stormwater system.

WHY WE DO IT

Stormwater reticulation infrastructure is provided to avoid flooding of property and to avoid or reduce ponding on roads (except in extreme rainfall events) that could create safety hazards. The use of detention areas and diversion such as Allison Street in Ōpunakē assist in the management of stormwater especially in a heavy rainfall event. The Council is also actively involved in the management of existing open drains.

With increasing development more demand will be placed on stormwater services and some extra stormwater assets may be needed if additional kerb and channel is constructed as part of the roading programme. Due to changing climatic conditions, increased rainfall events are occurring more often, again placing more demand on stormwater assets.


SIGNIFICANT NEGATIVE EFFECTS

The discharge of stormwater into watercourses can lead to flooding and/or erosion at points further downstream. Suitable designs incorporating detention ponds and/or diversion paths can mitigate these risks. Unmanaged and blocked open drains have the potential to cause upstream ponding and delayed releases of larger volumes of water.

Climate change effects are expected to result in more periods of intense rainfall and flooding, as our stormwater systems are not designed to cope with extreme events.

HOW WE PERFORMED

Performance Measure 1 – Number of reported flooding incidents of habitable properties - DIA Performance Measure 1a

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Council provides a reliable stormwater system which prevents houses from flooding.	Number of reported flooding incidents of habitable properties. DIA Performance Measure 1a	Achieved. 4	≤ 10	 No flooding incidents of habitable properties were received for the year.


Performance Measure 2 – Number of habitable floors affected per 1,000 properties rated for stormwater for each flooding event - DIA Performance Measure 1b

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Council provides a reliable stormwater system which prevents houses from flooding.	(T) For each flooding event, the number of habitable floors affected per 1000 properties rated for stormwater DIA Performance Measure 1b	Achieved. 0.28	≤ 1.0	 No flooding incidents of habitable properties were received for the year.

Performance Measure 3 – Number of abatement notices received by STDC for Stormwater discharges – DIA Performance Measure 2a

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The stormwater system is managed sustainably.	(T) Number of abatement notices received for stormwater discharges DIA Performance Measure 2a	Achieved. 0	0	 No abatement notices were received for the year.


Performance Measure 4 – Number of infringement notices received by STDC for stormwater discharges - DIA Performance Measure 2b

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The stormwater system is managed sustainably.	(T) Number of infringement notices received for stormwater discharges DIA Performance Measure 2b	Achieved. 0	0	 No infringement notices were received for the year.


STORMWATER

TE WAI ĀWHIOWHIO ME ŌNA RĪTENGA


Performance Measure 5 – Number of enforcement orders received by STDC for stormwater discharges - DIA Performance Measure 2c

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The stormwater system is managed sustainably.	(T) Number of enforcement orders received for stormwater discharges DIA Performance Measure 2c	Achieved. 0	0	 No enforcement orders were received for the year.


Performance Measure 6 – Number of successful prosecutions made against STDC for stormwater discharges - DIA Performance Measure 2d

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The stormwater system is managed sustainably.	(T) Number of successful prosecutions made against the Council for stormwater discharges DIA Performance Measure 2d	Achieved. 0	0	 No prosecutions were made for the year.


Performance Measure 7 – Response time for service personnel to attend flooding event - DIA Performance Measure 3

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Council will respond to reports of flooding and customer requests.	Median response time for service personnel to attend flooding event. DIA Performance Measure 3	Not achieved. 8h/39m	≤ 2 hrs	 No flooding events were reported for the year.

Performance Measure 8 – Number of complaints received about stormwater system and response to issues (per 1,000 connections) - DIA Performance Measure 4

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Council will respond to reports of flooding and customer requests.	Number of complaints received about stormwater system and response to issues (per 1,000 connections). DIA Performance Measure 4	Achieved. 0	≤ 1	 No complaints were received about the stormwater system and response to issues for the year.

Performance Measure 9 – Residents are satisfied with the Stormwater system

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Residents are satisfied with the Stormwater system.	% of residents satisfied with the Stormwater system.	New measure	≥ 80%	 79% of residents surveyed were satisfied with the Water Supply overall.

* The times shown for “attendance” and “resolution” are reported by the service provider, Veolia as part of their contracted responsibilities. This includes travel time. The Council periodically monitors these timelines to verify accuracy on a sample basis.



connected
PEOPLE

WASTEWATER NGĀ PARAPARA

prosperous sustainable
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WASTEWATER

WHAT WE DO

Wastewater services include the collection, piping, treatment and disposal of all wastewater from residences and businesses within the Council's eight wastewater systems located in Hāwera (includes Normanby), Eltham, Pātea, Waverley, Ōpunakē, Manaia, Kaponga and Wai-inu Beach. The treated wastewater is discharged to natural waters (streams, rivers or the ocean) or onto land, in accordance with resource consent conditions, to ensure public health standards are met. The treatment systems are via oxidation ponds (including anaerobic, two with wetlands) and septic tanks/sand filters.

The Council is presently conducting work to minimise storm water inflow and infiltration into the wastewater reticulation system. Smoke testing programmes are underway across urban parts of the District to detect points where stormwater inflows are occurring. Manholes inspections are programmed to ensure the integrity of the lids and chambers.

CCTV investigation is also undertaken inside wastewater pipes to assess the condition of the pipes and identify areas which require repairs. This programme helps to identify where there are structural defects and show where cracks are allowing groundwater to infiltrate into the pipework. Repair works include trenchless "pipe relining" and the traditional "dig-up" pipe repairs and replacements. These capital programmes will continue to reduce the amount of inflow and infiltration which in turn will increase the capacity of the wastewater system for new connections and compliance with resource consents.

The preventative maintenance of the sewer reticulation includes routine flushing of flat sections of sewer mains, pump station inspections and the monitoring of trunk main flows. The Council uses the Wastewater Asset Management Plan to assess changes to demand, level of service and how maintenance, renewal and replacement of assets will be undertaken.

The implementation of the Trade Waste Bylaw has allowed for a mechanism to ensure the quality control of wastewater from industrial and commercial operations.

WHY WE DO IT

The safe management of waste is a core activity of the Council. By undertaking this activity the Council ensures that sewage is managed and treated to minimise risk to public health and without affecting the quality of the environment and, in particular, our waterways. Ensuring the quality and adequacy of all existing wastewater services in the District is also a requirement under the Local Government Act 2002.


SIGNIFICANT NEGATIVE EFFECTS

Overflows of untreated or partially treated wastewater from the wastewater network and treatment plants are a potential serious risk to the health, social and cultural wellbeing of the community and environment. The risk of harmful discharges from the wastewater systems are minimised through meeting resource consent conditions, regular monitoring and implementation of the Inflow and Infiltration Management Plan described above.

Odours produced from trade waste and domestic sewage can also create significant negative effects.


HOW WE PERFORMED

Performance Measure 1 – Sewage overflows into occupied buildings due to faults in the public wastewater system

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Sewage is managed without risk to public health.	Number of sewage overflows into occupied buildings due to faults in the public wastewater system.	Achieved. 0	0	 No sewage overflows occurred into occupied buildings due to faults in the public wastewater system for the year.

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Performance Measure 2 – Response time for service personnel to attend overflow – DIA Performance Measure 3a

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Sewage is managed without risk to public health.	Median response time for service personnel to attend overflow. DIA Performance Measure 3a	Achieved. 32m	≤ 2 hrs	 The median response time for service personnel to attend overflows for the year was 23 minutes.

Performance Measure 3 – Response time for service personnel to resolve overflow – DIA Performance Measure 3b


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Sewage is managed without risk to public health.*	Median response time for service personnel to resolve overflow. DIA Performance Measure 3b	Achieved. 2h/23m	≤ 5 hrs	 The median response time for service personnel to resolve overflows for the year was 3 hours.

Performance Measure 4 – Number of customer complaints per year relating to odours from wastewater pump stations or treatment facilities (per 1,000 connections) - DIA Performance Measure 4a


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Sewage does not affect the quality of the environment.	Number of customer complaints per year relating to odours from wastewater pump stations or treatment facilities (per 1,000 connections). DIA Performance Measure 4a	Achieved. 0.63	≤ 1	 0.51 complaints per 1,000 connections were received about odours from wastewater pump stations and/or treatment facilities for the year.

WASTEWATER


Performance Measure 5 – Number of customer complaints received about sewerage system faults (per 1,000 connections) - DIA Performance Measure 4b

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Sewage does not affect the quality of the environment.	Number of complaints received about sewerage system faults (per 1,000 connections). DIA Performance Measure 4b	Not achieved. 39.17 (target ≤ 12)	≤ 26	 38.03 complaints per 1,000 connections were received for the year about sewerage system faults (as per CRM system). Numbers did reduce each quarter though with only 7.73 complaints received for Q4.

Performance Measure 6 – Number of customer complaints received about sewerage system blockages (per 1,000 connections) - DIA Performance Measure 4c


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Sewage does not affect the quality of the environment.	Number of complaints received about sewerage system blockages (per 1,000 connections). DIA Performance Measure 4c	Not achieved. 14.83 (target ≤ 10)	≤ 11	 12.68 complaints per 1,000 connections were received for the year about sewerage system blockages.

Performance Measure 7 – Number of customer complaints received about response to issues (per 1,000 connections) - DIA Performance Measure 4d


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Sewage does not affect the quality of the environment.	Number of complaints received about response to issues (per 1,000 connections). DIA Performance Measure 4d	Achieved. 0 (target ≤ 2)	≤ 3	 No reported complaints were received about response to issues for Q4 or for the year (as per complaints register).

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Total of Performance Measures 4-7 – Total number of customer complaints received (per 1,000 connections) - DIA Performance Measures 4a-4d

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Sewage does not affect the quality of the environment.	Number of complaints received (per 1,000 connections). DIA Performance Measures 4a-4d	Not achieved. 54.63 (target ≤ 25)	≤ 41	 51.21 complaints per 1,000 connections were received for the year. A large number of complaints were attributed to third party damage caused to the network due to underboring.


Performance Measure 8 – Number of dry weather overflows per 1,000 connections - DIA Performance Measure 1

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Sewage does not affect the quality of the environment.	Number of dry weather overflows per 1,000 connections. DIA Performance Measure 1	Achieved. 0.40	≤ 1	 0.76 dry weather overflows were reported for the year.

Performance Measure 9 – Compliance with discharge standards


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Sewage does not affect the quality of the environment.	% of compliance with discharge standards.	Not achieved. 99%	100%	 100% compliance with discharge standards has been achieved for the year.

Performance Measure 10 – Number of abatement notices received for discharges - DIA Performance Measure 2a


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Sewage does not affect the quality of the environment.	Number of abatement notices received for discharges. DIA Performance Measure 2a	Not achieved. 1	0	 No abatement notices were received for the year.

WASTEWATER


Performance Measure 11 – Number of infringement notices received for discharges - DIA Performance Measure 2b

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Sewage does not affect the quality of the environment.	Number of infringement notices received for discharges. DIA Performance Measure 2b	Achieved. 0	0	 No infringement notices were received for the year.

Performance Measure 12 – Number of enforcement orders received for discharges - DIA Performance Measure 2c


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Sewage does not affect the quality of the environment.	Number of enforcement orders received for discharges. DIA Performance Measure 2c	Achieved. 0	0	 No enforcement orders were received for the year.

Performance Measure 13 – Number of convictions received for discharges - DIA Performance Measure 2d


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Sewage does not affect the quality of the environment.	Number of convictions received for discharges. DIA Performance Measure 2d	Achieved. 0	0	 No convictions were received for the year.

NGĀ PARAPARA

Performance Measure 14 – Annual rainfall – derived inflow and infiltration

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Sewage does not affect the quality of the environment.	Annual rainfall – derived inflow and infiltration.	New measure	6%	 (7.5%). Key reasons are the resetting of the baseline minimum wastewater flows. The infrastructure team has been involved with activities which reduce inflow and infiltration (smoke testing, pipeline CCTV, pipe relining and repairs). The underlying trend is a continued reduction of inflow and infiltration flow into wastewater sewers, although this is not reflected in this metric.

Performance Measure 15 – Consumers satisfied with the Wastewater services

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Sewage does not affect the quality of the environment.	(C) % of residents satisfied with the Wastewater services overall.	Achieved. 85%	≥ 80%	 84% of consumers surveyed were satisfied with the Wastewater Services overall.

* The times shown for “attendance” and “resolution” are reported by the service provider, Veolia as part of their contracted responsibilities. This includes travel time. The Council periodically monitors these timelines to verify accuracy on a sample basis.

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AOTEA

SOLID WASTE TE TUKUHANGA O NGĀ PARAPARA

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SOLID WASTE

TE TUKUHANGA O NGĀ PARAPARA

WHAT WE DO

Solid Waste management involves providing a refuse and recycling kerbside collection to urban residents and residences along the main collection routes. Collections also include a voluntary green waste collection service (fortnightly), on a user pays basis. Residents are serviced by seven transfer stations throughout the district (Hāwera, Eltham, Manaia, Ōpunakē, Pātea, Waverley and Waitōtara) providing facilities to take refuse and recycling with a 24-hour free recycling service at Ōpunakē, Eltham, Manaia and Waverley transfer stations. The Council also manages seven closed landfills.

The Council offers a weekly refuse and recycling kerbside collection service and has no current operational landfills. The Council is now involved in a joint contract with other Taranaki councils, transporting refuse to the Bonny Glen landfill. A key role for the Council is minimising the amount of refuse destined for landfills through better separation of reusable or recyclable refuse.

WHY WE DO IT

The Council has a responsibility to protect the public health of the District and maintain environmental standards for the Region. The Health Act 1956 obliges the Council to deliver this activity to protect the environment and public health of its residents. The Council contributes to the health and wellbeing of the community and the environment by providing waste management infrastructure and services. The Council is involved in the collection of waste data region wide to assist in formulating methods of waste reduction via the Waste Management and Minimisation Plan (WMMP). The WMMP makes provision for the collection of waste produced within the District and the reduction, reuse, recycling and disposal of waste.


SIGNIFICANT NEGATIVE EFFECTS

The Council has seven consented closed landfills and the effects of gas emissions and leachate from the closed landfills are a potential serious contaminant to the environment. The risk of contamination is minimised through meeting resource consent conditions and regular monitoring.


Fly-tipping or illegal dumping of waste has detrimental effects on the environment and potentially on public health. It also attracts associated clean-up and disposal costs. The illegal dumping of waste is reduced by regular monitoring of known sites and areas, by erecting signage and through public education.

HOW WE PERFORMED


Performance Measure 1 – Complaints received for missed street collection that are not resolved.

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
A reliable weekly kerbside recycling and rubbish collection service is provided.	(T) Number of complaints received for missed street collection that are not resolved (average per month).	Achieved. 0 (target 0)	2	 One complaint was received of a missed collection for the year that has not been resolved.

Performance Measure 2 – Customers satisfied with the solid waste collection service

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
A reliable weekly kerbside recycling and rubbish collection service is provided.	% of customers satisfied with the solid waste collection service.	Achieved. 94%	≥ 90%	 93% of customers surveyed were satisfied with the Solid Waste collection service.


Performance Measure 3 – Complaints received for genuine missed greenwaste bins (excluding non-compliant bins) per collection

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
A reliable, well managed (user pays) fortnightly kerbside greenwaste collection service is provided.	Average number of complaints received for genuine missed greenwaste bins (excluding non-compliant bins) per collection.	Achieved. 2.38 (target ≤ 5)	≤ 6	 The average number of missed bins was 1.9 for the year.

Performance Measure 4 – Complaints received about poor maintenance, noise or smell for Transfer Stations.

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Transfer stations are safe and well maintained.	Number of complaints received about poor maintenance, noise or smell for Transfer Stations.	Achieved. 2	≤ 5	 No complaints were received about poor maintenance, noise or smell for Transfer Stations for the year.

Performance Measure 5 – Waste diverted from the landfill each year

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Recycling is encouraged and less waste is sent to the regional landfill.	(T) % of Council controlled waste diverted from the landfill each year.	Achieved. 36.29% (target ≥ 27%)	30%	 The total waste diversion from landfill, inclusive of recycling and green waste was 33.13% for the year. This includes some estimated residual waste figures from recycling.



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LIFESTYLE

ROADING AND FOOTPATHS NGĀ HUARAHI ARA RAU

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SOUTH TARANAKI SOUTH TARANAKI

INCLUDES ROAD SAFETY & PATHWAYS



MAKING SOUTH TARANAKI
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DISTRICT IN NZ

SCHOOL PATROL
STOP

ROADING AND FOOTPATHS

NGĀ HUARAHI ARA RAU

WHAT WE DO

The Council is a Road Controlling Authority and is legally responsible for control of the District's roading network. The daily management, operation and maintenance of the network was returned to an in-house professional services model, with capital expenditure projects competitively tendered to ensure best value for money. Through the maintenance and annual improvement programme the Council aims to provide a sustainable roading system which allows for safe and efficient travel throughout the District at reasonable cost.

The Council aims through its stormwater infrastructure to avoid flooding of buildings, except in extreme rainfall events, and to ensure ponding on roads does not create safety hazards. The Council delivers the Regional Community Road Safety Programme on behalf of the Region with funding share from New Plymouth District Council and Stratford District Council and subsidy from New Zealand Transport Agency (NZTA).

Development of walkways and cycleways is an important factor in attracting and retaining skilled people in our District. That is why we have embarked on a Pathways Programme which will provide a network of walkways and cycleways that link recreational spaces within urban centres and outlying attractions, improve walking and cycling access for employment and other regular travel needs, which are accessible by a variety of means and through multiple access points and are safe and attractive to families and a wide range of users.

Annual programmes for renewing the District roading network and footpaths include:

- Area wide pavement treatment (\$1.67m) - sections of roads (completed 7km) are re-metalled and sealed, resulting in a smoother more durable surface; widening and minor safety improvements are included where appropriate.
- Resealing of 79 kilometres (408,232m²) of road for the year (\$2.15m).
- Renewing of footpaths, kerb and channel (completed 734m costing \$489,000, with a carried over to 2019/20 of \$150,000) – the footpaths around the District are prioritised for renewing based on the footpath condition and use, stormwater needs, and the condition of the kerb and channel.
- Bridge maintenance, design and investigation – \$147K.
- Flood damage (minor events) for the year - \$458K.
- Pathway linking Hāwera to Normanby is still being programmed. Nukumarū Station Road Design and documentation for the work is being carried out. Additional funding request has been submitted to NZTA for approval.

WHY WE DO IT

Ownership and control of the District's roads are vested in Council through the Local Government Act 1974 and 2002. The Council is a "Road Controlling Authority" and is legally responsible for control of its road network. A safe and accessible roading infrastructure supports the District's and Region's community outcomes by allowing access to health services, a gateway for new and existing businesses and the opportunity to travel for education and training. The Council maintains and develops a substantial roading network to meet the needs of residents, and road users within the South Taranaki District.

SIGNIFICANT NEGATIVE EFFECTS


The provision of roads can have a negative effect on the environment such as air, noise and water pollution through air and noise emissions from motor vehicles. The environmental effects of road construction and maintenance are minimised through conditions set by the Taranaki Regional Council Plans for Freshwater Quality and Air Quality. Dust generated by traffic on unsealed roads is mitigated through regular gravelling or sealing of the roads (the latter is subject to available funds).

Vehicle accidents have a significant effect on the social and economic wellbeing of the community. Road safety management is an on-going focus for the Council and minor improvement works are carried out at high risk areas to reduce crash incidents.


The Council's Roothing Bylaws support the protection of its roading infrastructure by regulating the behaviour of road users who would otherwise pose a risk of negative impacts for other road users.

HOW WE PERFORMED


Performance Measure 1 – Roads meeting the roughness standard remains stable or improves - DIA Performance Measure 2

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Council provides roads which are safe and comfortable to drive on.	(T) % of the quality of the Council's sealed local roads to provide smooth and comfortable ride for motorists measured by Smooth Travel Exposure. "Smooth Travel Exposure" measures the average ride quality experienced by motorists travelling on smooth, sealed roads. DIA Performance Measure 2	Achieved. 93% (target 93%)	92%	 The smooth travel exposure achieved is 92% for the network (96% for rural road and 82% for urban road) as surveyed and reported from RAMM.

Performance Measure 2 – Road users satisfied with the condition of Council roads


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Council provides roads which are safe and comfortable to drive on.	% of road users satisfied with the condition of Council roads.	Not achieved. 73% (target 80%)	≥ 75%	 The Annual Resident's Survey showed that 65% of road users are satisfied with the condition of Council roads. 76% of dissatisfied respondents have stated that the roads are in poor condition. However a number of large work items which are planned will address specific concerns noted. Council has re-established management of roading maintenance and operations in-house with the intention of being more responsive to the customer.

Performance Measure 3 – Annual change in number of fatalities and serious injury crashes on local road network. DIA Performance Measure 1


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Council provides roads which are safe and comfortable to drive on.	Annual change in number of fatalities and serious injury crashes on local road network. DIA Performance Measure 1	Achieved. 0	Decrease by 1 or zero	 There were 11 recorded serious injury crashes and 4 recorded fatal crashes for 2018/19 compared to 9 injury crashes and 2 fatal crashes recorded for 2017/18.

ROADING AND FOOTPATHS


Performance Measure 4 – Sealed local road network resurfaced annually - DIA Performance Measure 3

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The roading network is maintained in good condition.	% of sealed local road network resurfaced annually. DIA Performance Measure 3	Achieved. 6.8% (target 6.5%)	6%	 <p>447,638m² of roads were sealed in the 2018/19 year, out of the district total of 7,302,291m².</p>


Performance Measure 5 – Footpaths with condition rating 1-4 - DIA Performance Measure 4

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Footpaths are maintained in good condition and are fit for purpose.	% of footpaths with condition rating 1-4. DIA Performance Measure 4	Achieved. 94.3% (target 94%)	92%	 <p>Only 4 footpath sites have condition rating above 4. 1,581 out of 1,585 footpath sites have condition ratings from 1 to 4.</p>

Performance Measure 6 – Urgent customer service requests relating to roads and footpaths responded to within 2 working days - DIA Performance Measure 5

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Council will respond promptly to customer service requests for roads and footpaths.	% of urgent customer service requests relating to roads and footpaths responded to within 2 working days. DIA Performance Measure 5	Not achieved. 92% (target 94%)	≥ 95%	 <p>27 out of 30 (90%) urgent requests were responded to within 2 days for the year.</p>

Performance Measure 7 – Non-urgent customer service requests relating to roads and footpaths responded to within 5 working days - DIA Performance Measure 5

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Council will respond promptly to customer service requests for roads and footpaths.	% of non-urgent customer service requests relating to roads and footpaths responded to within 5 working days. DIA Performance Measure 5	Not achieved. 92% (target 94%)	≥ 90%	 <p>1,167 out of 1,329 (88%) non-urgent requests were responded to within 5 days for the year.</p>

COMMUNITY FACILITIES

TE WHARE TĀPERE O TĀNERORE ME NGĀ
HUA KA PUTA MĀ TE HĀPORI

vibrant together prosperous sustainable
SOUTH TARANAKI SOUTH TARANAKI SOUTH TARANAKI SOUTH TARANAKI



MAKING SOUTH TARANAKI
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COMMUNITY FACILITIES

TE WHARE TĀPERE O TĀNERORE ME NGĀ HUA KA PUTA MĀ TE HĀPORI

WHAT WE DO

Community Facilities include the following Council activities – Parks & Reserves, Public Spaces, Halls, Swimming Pools, Public Toilets, Holiday Parks, Cemeteries, Pensioner Housing, TSB Hub, Hāwera Cinema and Corporate Property.

PARKS AND RESERVES

The Council owns and maintains (approximately 168) parks and reserves across the entire District varying in size from neighbourhood ‘pocket parks’ and playgrounds, small roadside gardens and main street gardens to sports fields, premier parks and large scenic reserves such as Lake Rotokare (457ha in total). Of these, there are 60 Council-owned parks and reserves across the South Taranaki District that can be considered parks in their own right. South Taranaki has 2.45 hectares of actively maintained park land per 1,000 residents, the lowest of 33 peer local authorities. While many are owned in ‘fee simple’ by the Council, some are gazetted as reserves under the Reserves Act 1977 which have specific legal responsibilities (e.g. Crown owned land with management vested in the Council). In addition, the Council owns and maintains 38 playgrounds across the District.

Further details on how the Council manages its open space to ensure the communities’ needs, concerns and aspirations are considered, are described in the District Open Space Strategy which was adopted in 2014.

PUBLIC SPACES

The Council has a wide range of active and passive open spaces that make this District unique and which are not necessarily formal parks or reserve areas. Examples of these are, places for quiet reflection, public gathering spaces, walkways, informal recreational areas and places set aside for the protection of flora, fauna and cultural heritage and some of the designated freedom camping areas. These open spaces are areas of land to which the public has a relatively free right of access. They can serve a variety of purposes from recreation, amenity and preservation to providing and being part of views, protecting significant landscapes, sites and community identities, and providing a focal point for a local area. The different types of open space and the combination of these spaces make up the Public Spaces network.

The Council is not the sole provider of the open space in the District, but we play the main role to create, protect and improve accessibility to these special places that are valued by our communities and visitors.

HALLS

Council-owned halls are provided in Ōpunakē, Manaia, Kaponga, Eltham, Normanby, Hāwera, Pātea and Waverley. Bookings are made through the Council Offices and LibraryPlus locations. We also assist rural halls throughout the District with an annual grant. The Eltham Town Hall has a “Friends of” community group, and they are a primary stakeholder in the running of this facility. The Council also owns the Sports Complex in Manaia, but the day-to-day operations of this Hall, like the sports bookings, minor maintenance and applications for grants is managed by the Manaia Sports Hall Society. Both these facilities are currently closed due to not meeting 34% of New Building Standards (NBS). The New Zealand Heritage listed Hunter Shaw Hall in Pātea is undergoing strengthening and restoration and due to be completed in first quarter of 2019/2020.

The Council has a partnership and works closely with the Hāwera Memorial Theatre Trust. Formed in 2011, the Trust is able to seek external funding for specified projects including funding to allow school students the opportunity to be involved in experiencing the theatre environment through the school curriculum.

In Waverley, the community hall is a facility, jointly owned and operated by the Council and Border Rugby Club. The Council makes an annual grant to the Ōpunakē Sports and Recreation Trust towards the cost of programmed renewals at the Sandford Events Centre.

SWIMMING POOLS – RURAL POOLS AND AQUATIC CENTRE, HĀWERA

The Council owns and operates rural swimming pools in Kaponga, Manaia, Eltham, Rāwhitiroa, Pātea and Waverley which are open to the public from mid-December through to Taranaki Anniversary Weekend in March. These pools have free access for the public and are staffed by qualified lifeguards. The Council also makes an annual contribution to the operation of the Ōpunakē Community Baths. The Aquatic Centre in Hāwera has an indoor complex which operates all year round featuring a thermal pool, 25 metre pool, hydro-slide, learner’s pool and children’s splash park. The outdoor complex, which includes a 50 metre pool and children’s pool, is open from early December to the end of March. Swim and survive programmes for children are offered both privately and through the school’s programme year-round at the Aquatic Centre. The Aquatic Centre is Poolsafe™ accredited and is a Gold Level AUSTSWIM recognised Swim Centre.

PUBLIC TOILETS

The Council owns and maintains 37 public toilets at locations across the District. There are 8 in Hāwera, 11 in and north of Ōpunakē (including a toilet at Rāhotu which is privately owned but is managed by the Council so public access is guaranteed), 6 in Eltham, 1 in Kaponga, 4 in Manaia and 7 in the towns of Pātea, Waverley and Wai-inu. Some toilets are cleaned by contractors while others are cleaned by Council staff. Toilets are generally serviced daily with the exception of coastal or remote toilets where use is limited during the winter season.

The Council also provides six dump stations (for motorhomes to dispose of waste) at Waverley (Dallison Park), Normanby, Ōpunakē, Ōpunakē Beach, Wai-inu Beach and Waverley (Aotea Park).

HOLIDAY PARKS

The Council provides seven holiday parks across the District: Ōpunakē Beach Holiday Park, Te Ngutu o Te Manu (Ahipaipa Road, Okaiawa), Hāwera Holiday Park, Pātea Beach Holiday Park, Waverley Beach, Wai-inu Beach and Lake Rotorangi (Pātea Dam).

The management and operation of these holiday parks varies throughout the District. Ōpunakē Beach Holiday Park and Pātea Beach Holiday Park are leased to private operators; Te Ngutu o Te Manu, Waverley Beach, Wai-inu Beach and the Hāwera Holiday Park are managed in-house (the Council employs a part time custodian at Wai-inu over the summer period when demand is high). Lake Rotorangi (Pātea Dam) is managed by a voluntary Trust in partnership with the Council.

CEMETERIES

The Council actively manages ten cemeteries across the District; Eltham, Hāwera, Kaponga, Manaia, Ōhawe Beach, Okaiawa, Ōpunakē, Otakeho, Pātea and Waihi (Normanby). The Council also owns the Armed Constabulary Cemetery on the banks of the Ōpunakē Lake, and the land at Rāhotu Cemetery which is managed by a Trust and provides an annual grant to the Waverley Cemetery Trust. As well as the land for cemeteries the Council also manages the roading, car parks, toilet blocks, rubbish bins, concrete berms and lowering devices associated with the Cemetery activity.

More detailed information on the operations, maintenance, renewal and development of the cemeteries’ assets can be found in the Cemeteries Asset Management Plan.

PENSIONER HOUSING

The Council has pensioner housing units in Ōpunakē, Eltham, Manaia, Kaponga, Hāwera, Pātea and Waverley. In addition to normal rental management services, the Council provides a support service which includes regular fortnightly visits to the residents and a first point of contact for all maintenance requests.

TSB HUB

TSB Hub is the District’s premier sports, leisure and recreation facility based in Hāwera. TSB Hub includes three indoor courts, a small-bore rifle range, ten changing rooms, three large high-quality function areas and a modern fitness centre. The expansive outdoor area includes sealed netball/tennis courts and provides for a range of turf based seasonal sports on Taranaki’s largest field sports complex. A netball pavilion, public toilets and a cricket pavilion complement the stadium. TSB Hub is capable of hosting conferences, expos, concerts and sports events that bring visitors to the District.

HĀWERA CINEMA

The Council owns the Cinema 2 land, building and some chattels but the Cinema is managed by a charitable trust (Hāwera Cinema 2 Trust). The building is partly leased to the Trust for the Cinema and partly to The Local Sports Bar. The Council provides an annual operating grant (\$50,000) to the Cinema Trust to ensure that it is able to continue operating as well as having a representative on the Cinema Trust to provide support and accountability.

COMMUNITY FACILITIES

TE WHARE TĀPERE O TĀNERORE ME NGĀ HUA KA PUTA MĀ TE HĀPORI

CORPORATE PROPERTY

The Council owns or administers approximately 550 properties and the role of the Corporate Property Unit includes the provision of legal services and advice relating to those properties. The unit is responsible for compliance and safety for all Council buildings, ensuring Building Warrants of Fitness are current, appropriate Asbestos Management Plans are in place and co-ordinating the completion of Seismic Assessments and remedial work. The Unit manages approximately 100 leases and licences to generate an income stream for the Council and approximately 40 concessional agreements with not-for-profit groups located on Council owned land and public reserves. The Unit also oversees the management of Domains and Reserves administered by Domain Boards and Committees. The Unit is responsible for the preparation and review of Asset Management Plans for the Sundry Property Portfolio and Pensioner Housing and capital work and maintenance plans for Councils Parks and Facilities.


WHY WE DO IT

The vision of our Open Space Strategy is to have accessible Open Spaces that are enjoyed by our people, support the health and wellbeing of our communities and enhance our environment. Provision of the activities and associated infrastructure within the Community Facilities grouping contribute to this Strategy and provide recreation and leisure opportunities for residents and visitors to the District.


HOW WE PERFORMED

PARKS AND RESERVES


Performance Measure 1 – Satisfaction with level of maintenance in Council Parks and Reserves

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Parks and reserves are tidy and well maintained.	% of customers satisfied with the level of maintenance in Council parks and reserves.	Achieved. 97%	≥ 90%	 <p>The Annual Resident Satisfaction Survey results published in Quarter 4 indicated 97% of residents were satisfied with Parks and Reserves.</p>

Performance Measure 2 – Number of incidents recorded due to poor maintenance or design


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Visitors feel safe and enjoy visiting our parks and reserves.	Number of incidents recorded per annum due to poor maintenance or design.	Not achieved. 1 (target was 0)	≤ 6	 <p>There were no reports of incidents at parks or reserves due to poor maintenance or design for the year.</p>

Performance Measure 3 – Customer complaints/requests for Parks and Properties managed within specified timeframe

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Visitors feel safe and enjoy visiting our parks and reserves.	% of customers satisfied that the provided playgrounds meet the needs of users.	New measure	≥ 80%	 <p>The Annual Resident's Survey showed that 97% of residents were satisfied that Council playgrounds met their needs.</p>


PUBLIC SPACES

Performance Measure 4 – Number of incidents reported due to poor maintenance or design.

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Visitors feel safe and enjoy visiting our public spaces.	Number of incidents reported per annum due to poor maintenance or design.	New measure	≤ 6	 <p>One incident was reported by a person who had fallen in Campbell Lane and they suggested that unevenness of the pavers may have been the cause.</p>

HALLS

Performance Measure 5 – Satisfaction with maintenance and cleanliness of Halls


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Halls are well maintained and serviced.	% of customers satisfied with the maintenance and cleanliness of Halls.	Achieved. 95%	≥ 90%	 <p>The Annual Resident's Survey showed that 94% of residents were satisfied with the maintenance and cleanliness of Halls.</p>

COMMUNITY FACILITIES


TE WHARE TĀPERE O TĀNERORE ME NGĀ HUA KA PUTA MĀ TE HĀPORI

SWIMMING POOLS – RURAL POOLS


Performance Measure 6 – Number of Rural Pool users is greater than 30,000

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019														
Rural Pools are attractive environments.	Total number of users of rural pools is greater than 30,000.	Not achieved. 46,684 (target 40,000)	≥ 30,000	 <p>The pool season ran from 12 December 2018 to 11 March 2019.</p> <table border="1"> <tr><td>Eltham</td><td>8,196</td></tr> <tr><td>Rāwhitiroa</td><td>8,888</td></tr> <tr><td>Kaponga</td><td>5,645</td></tr> <tr><td>Manaia</td><td>7,081</td></tr> <tr><td>Pātea</td><td>7,531</td></tr> <tr><td>Waverley</td><td>5,503</td></tr> <tr><td>Total</td><td>42,844</td></tr> </table>	Eltham	8,196	Rāwhitiroa	8,888	Kaponga	5,645	Manaia	7,081	Pātea	7,531	Waverley	5,503	Total	42,844
Eltham	8,196																	
Rāwhitiroa	8,888																	
Kaponga	5,645																	
Manaia	7,081																	
Pātea	7,531																	
Waverley	5,503																	
Total	42,844																	


Performance Measure 7 – Satisfaction with Rural Pool venues being well maintained

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Rural Pools are well maintained.	% of customers satisfied with venues being well maintained.	Achieved. 85% (target 80%)	≥ 90%	 (86%) <p>Survey results indicated 90% or more of customers were satisfied that the pools were well maintained, with the exception of Manaia. The dissatisfaction results from Manaia caused the overall percentage result to be below the 90% target. This pool is due for upgrade works over the next 3 years.</p>


Performance Measure 8 – Satisfaction with services provided by Rural Pool staff

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Customers are satisfied with services.	% of users satisfied with services provided by staff.	Achieved. 91% (target 80%)	≥ 90%	 <p>Survey results indicated that 95% of customers were satisfied with services provided.</p>

Performance Measure 9 – Number of accidents at Rural Pools reported due to poor maintenance or design


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Rural Pools are safe environments.	Number of accidents reported per annum due to poor maintenance or design.	Not achieved. 3 (target 0)	≤ 5	 <p>No accidents were reported which have resulted from poor design or maintenance for the year.</p>

Performance Measure 10 – Compliance with NZS5826 through regular water quality tests at Rural Pools

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019														
Rural Pools water quality is safe.	% of compliance with NZS5826 through regular water quality tests.	Achieved. 96%	≥ 90%	 <p>Overall the end of season results show compliance across all pools when averaged.</p> <table border="1"> <tr><td>Eltham</td><td>88.7%</td></tr> <tr><td>Rāwhitiroa</td><td>96.2%</td></tr> <tr><td>Kaponga</td><td>95.8%</td></tr> <tr><td>Manaia</td><td>85.8%</td></tr> <tr><td>Pātea</td><td>97.8%</td></tr> <tr><td>Waverley</td><td>97.9%</td></tr> <tr><td>Total</td><td>93.7%</td></tr> </table>	Eltham	88.7%	Rāwhitiroa	96.2%	Kaponga	95.8%	Manaia	85.8%	Pātea	97.8%	Waverley	97.9%	Total	93.7%
Eltham	88.7%																	
Rāwhitiroa	96.2%																	
Kaponga	95.8%																	
Manaia	85.8%																	
Pātea	97.8%																	
Waverley	97.9%																	
Total	93.7%																	

SWIMMING POOLS - AQUATIC CENTRE, HĀWERA


Performance Measure 11 – Number of users of the Aquatic Centre is greater than 90,000 per annum

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The Aquatic Centre is an attractive environment.	(C) Number of users of the Aquatic Centre is greater than 90,000 per annum.	Achieved. 98,528 (target 93,500)	≥ 90,000	 <p>There were 100,798 users of the Aquatic Centre for the year.</p>


COMMUNITY FACILITIES

TE WHARE TĀPERE O TĀNERORE ME NGĀ HUA KA PUTA MĀ TE HĀPORI

Performance Measure 12 – Satisfaction with the Aquatic Centre venue being well maintained

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The Aquatic Centre is well maintained.	% of users satisfied with the venue being well maintained.	Achieved. 94%	≥ 90%	 236 customers were surveyed and 95% were satisfied with the venue being well maintained.


Performance Measure 13 – Satisfaction with the Aquatic Centre services provided by staff

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Customers are satisfied with services.	% of users satisfied with services provided by staff.	Achieved. 95%	≥ 90%	 236 customers were surveyed and 95% were satisfied with the services provided.


Performance Measure 14 – Aquatic Centre holds a current national Poolsafe accreditation

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The Aquatic Centre is a safe environment.	The Aquatic Centre holds a current national Poolsafe™ accreditation.	Held	Held	Awaiting confirmation. The Aquatic Centre holds current national Poolsafe™ accreditation (submitted in April 2018). Awaiting confirmation of accreditation as all compliance paperwork was submitted in Q4 (must be completed by 30 June each year).

Performance Measure 15 – Number of accidents reported at the Aquatic Centre due to poor design or maintenance


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The Aquatic Centre is a safe environment.	Number of accidents reported per annum due to poor maintenance or design.	Not achieved. 2 (target 0)	≤ 5	 No accidents have been reported for the year which were attributed to poor maintenance or design.

Performance Measure 16 – Number of Learn to Swim enrolments are no less than 1,400 per annum


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Aquatic Centre actively promotes swim programmes.	Number of Aqua School Learn to Swim enrolments are no less than 1,400 per annum.	Achieved. 1,539 (target 1,400)	≥ 1,400	 There were 1,578 enrolments for Learn to Swim for the year.

PUBLIC TOILETS

Performance Measure 17 – Satisfaction with cleanliness and maintenance of Public Toilets


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Toilets are safe, accessible and well maintained.	% of residents satisfied with cleanliness and maintenance of Public Toilets.	Not achieved. 79% (target 90%)	≥ 80%	 The Annual Resident's Survey showed that 78% of residents were satisfied with the cleanliness and maintenance of Public Toilets.

Performance Measure 18 – Satisfaction with Public Toilet opening hours

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Toilets are safe, accessible and well maintained.	% of residents satisfied with Public Toilet opening hours.	Not achieved. 81%	≥ 85%	 The Annual Resident's Survey showed that 88% of residents were satisfied with Public Toilet opening hours.

CEMETERIES


Performance Measure 19 – Satisfaction with tidiness and level of cemeteries maintenance

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Cemeteries are tidy and well maintained.	(C) % of visitors satisfied with the tidiness and level of maintenance at Cemeteries.	Achieved. 96% (target 90%)	≥ 95%	 The Annual Resident's Survey showed that 99% of residents were satisfied with the level of maintenance at Cemeteries.

COMMUNITY FACILITIES


TE WHARE TĀPERE O TĀNERORE ME NGĀ HUA KA PUTA MĀ TE HĀPORI

Performance Measure 20 – Number of complaints regarding interment processes


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Interments are managed with respect and sensitivity.	(C) Number of reported issues regarding interment processes.	Achieved. 0 (target 1)	≤ 3	 Only one issue was reported for the year. The instance was in relation to the sub-contractor arriving on site to fill the grave whilst family members were still at the graveside.

PENSIONER HOUSING


Performance Measure 21 – Pensioner Housing Units are rated good to very good

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Council will provide well maintained and affordable Pensioner Housing.	% of Pensioner Housing units are rated good to very good using the minimum standards included in the Pensioner Housing Policy.	Achieved. 66% (target 59%)	67%	 Two refits have been completed for the year (67%), for Unit 4 Willowbrook and Unit 2 Tauhuri.

Performance Measure 22 – Tenants satisfied with the standard of maintenance of their accommodation


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Council will provide well maintained and affordable Pensioner Housing.	% of tenants satisfied with the standard of their accommodation.	Achieved. 96% (target 85%)	≥ 95%	 The Annual Tenants Survey was completed in March 2019 and 37 of the 64 tenants completed the survey. 35 of those tenants (95%) were satisfied with the condition of their units.

Performance Measure 23 – Tenants satisfied with the social support service provided


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Tenants are supported to remain independent in their communities of choice for as long as they are able.	% of tenants satisfied with the social support service provided (or who rate the social support service good or above).	Achieved. 98% (target 85%)	≥ 90%	 The Annual Tenants Survey was completed in March 2019 and 37 of the 64 Tenants responded to this question. 30 tenants (81%) rated the service as excellent, 5 tenants (13%) rated the service as very good, 1 tenant (3%) as good and 1 tenant (3%) as poor. Therefore, a satisfaction level of 97% was achieved.

TSB HUB


Performance Measure 24 – Number of users of TSB Hub is greater than 150,000 per annum

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
TSB Hub is an attractive, well maintained and well used venue.	(C) Number of visitors to TSB Hub.	Not achieved. 134,022	≥ 150,000	 A total of 158,677 visits were recorded for the year.

Performance Measure 25 – Satisfaction of TSB Hub standard of service provided

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
TSB Hub is an attractive, well maintained and well used venue.	% of users satisfied with the standard of service provided.	Achieved. 80% (target 80%)	≥ 90%	 Survey results showed that 97% of respondents were either satisfied or very satisfied with the standard of service they received.

Performance Measure 26 – Number of accidents reported due to poor design or maintenance of TSB Hub

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
TSB Hub provides a safe environment.	Number of accidents reported per annum due to poor design or maintenance.	Achieved. 0 (target 0)	≤ 3	 No accidents were reported for the year that are attributed to poor maintenance or design.

attractive
LIFESTYLE



ARTS & CULTURE
NGĀ MAHI Ā-TOI ME RĒHIA



vibrant together prosperous sustainable
SOUTH TARANAKI SOUTH TARANAKI SOUTH TARANAKI SOUTH TARANAKI

MAKING SOUTH TARANAKI
THE MOST
liveable
DISTRICT IN NZ



ARTS & CULTURE

WHAT WE DO

Cultural services include the following Council activities – Arts, Heritage and Library services.

ARTS

The Council's Arts, Culture and Heritage Policy, adopted in 2006, provides the direction for this sub-activity. An Arts Co-ordinator facilitates and promotes community participation in creative activities by providing a point of coordination for the creative community, facilitating the increased visibility of the arts within the District and supporting creative activities and organisations.

HERITAGE

The Council, in partnership with the South Taranaki District Museum Trust, provides District heritage services through the management of Aotea Utanganui – Museum of South Taranaki, providing support and advice to individuals and communities that wish to preserve their tāonga, objects and archives, as well as the promotion of the District's heritage, the Museum and its activities.

LIBRARYPLUS

The Council provides an extensive combined library and council service throughout the District, known as LibraryPlus facilities, in Ōpunakē, Eltham, Hāwera, Kaponga, Manaia, Pātea and Waverley. LibraryPlus users have access to the entire District library stock and can also interloan items from throughout New Zealand. We provide a free lending service to the community and books are delivered free of charge to those people who are housebound.

The libraries are committed to developing children's literacy by providing a range of activities that promote children's reading and story writing. Youth services have been developed to encourage their on-going use of the libraries. Access is provided to information technology with online databases, social media sites and eBooks plus free WiFi and public internet services available at each facility.

South Taranaki LibraryPlus provides a library management software solution for Stratford Library through a shared services agreement. Stratford and South Taranaki Libraries share a combined catalogue; patrons from both libraries are able to request and borrow books from each library's collection.

The Council services available at LibraryPlus facilities include payment of rates and accounts, enquiries about pensioner housing, burials, building consent applications, property file requests and community facility bookings. Six of the libraries act as agencies for the dissemination of visitor information and Eltham LibraryPlus provides New Zealand Postal Centre Services.

WHY WE DO IT


We provide these services to honour and protect the past and invest in the cultural development of our communities.

NGĀ MAHI Ā-TOI ME RĒHIA

HOW WE PERFORMED


ARTS

Performance Measure 1 – Number of programmes or projects facilitated or supported per annum


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Opportunities are provided to participate in arts activities.	Number of programmes or projects facilitated or supported per annum.	Achieved. 10	10	 <p>The Arts on Tour show "My name is Moana" was facilitated, an exhibition was curated at the Lysaght Watt Gallery and Stage One (concept, designs, consultation, quotes etc) of the Pātea Pou Project was completed in collaboration with Project Reef Life and Pātea Area School. There was also the Taranaki National Arts Awards, the Arts Fest South Taranaki (including workshops), an Arts in the Park event and a programme at the Hāwera LibraryPlus.</p>

HERITAGE – AOTEA UTANGANUI – MUSEUM OF SOUTH TARANAKI

Performance Measure 2 – Customers satisfied with their visit

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Visitors feel welcome and enjoy the facility.	% of customers are satisfied with their visit.	Achieved. 98%	≥ 95%	 <p>There were 211 visitor comments received for the year, all of which were positive.</p>


Performance Measure 3 – Number of collection items re-housed to Museum standards

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The collection of artefacts and archives is protected for future generations.	Number of collection items re-housed to Museum standards.	New measure	Social History 400 objects archived 20 Linear metres	 <p>1,999 social history objects and 164 linear meters of archives material were rehoused for the year.</p>


ARTS & CULTURE

LIBRARYPLUS

Performance Measure 4 – Satisfaction with facilities and customer service

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
LibraryPlus facilities are well resourced and have friendly, helpful staff.	% of customers satisfied with facilities and customer service.	Achieved. 97%	≥ 95%	 <p>The Annual Resident's Survey showed that 100% of residents were satisfied with the facilities and customer service of LibraryPlus Centres.</p>

Performance Measure 5 – Satisfaction with materials, resources and information provided

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
LibraryPlus materials and resources are relevant to current information and leisure needs of the community.	% of customers satisfied with materials, resources and information provided.	Achieved. 96%	≥ 95%	 <p>The Annual Resident's Survey showed that 99% of residents were satisfied with the facilities and customer service of LibraryPlus Centres.</p>

DISTRICT ECONOMY WHAKATIPURANGA O TE ROHE



MAKING SOUTH TARANAKI
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DISTRICT IN NZ

DISTRICT ECONOMY

WHAT WE DO

District Economy includes the following Council activities – Economic Development, Tourism and Events.

The Council supports the delivery of Tapuae Roa Make Way for Taranaki Regional Economic Development Strategy. This is a collaborative effort between South Taranaki, Stratford and New Plymouth District Councils, Taranaki Regional Council, Venture Taranaki, local business leaders, iwi and central government (MBIE). The strategy takes a whole-of-region approach focusing on unlocking the best opportunities for regional economic growth and the on-going success of the region. The Tapuae Roa [Action Plan](#) which the Council has adopted was released in April 2018.

The Council, in partnership with Venture Taranaki (the regional economic development and tourism agency), offers a business advisory service to assist both new and existing businesses wishing to expand or improve their competitiveness and businesses wishing to relocate to South Taranaki. This includes a support service to assist businesses to access Government agency funding for research and development, export and growth incentives and to act as a link to further professional services.

The Council has set aside Digital Development Fund of \$1m to improve broadband and mobile blackspot connectivity across the district. A new Digital Strategy was to be developed in 2018/19, however this was delayed due to work being undertaken by the Rural Connectivity Group and Ultrafast roll-out across the District.

The Mayor's Task Force for Jobs projects are actions in the Council's Economic Development Strategy. The projects include the biennial Youth To Work Awards which celebrate young people who are achieving in their workplace or training environment, as well as the businesses, education and training providers who support them.

The Council also has a contract with Venture Taranaki to provide tourism development and promotion services.

There is a Council-operated centralised i-SITE visitor centre in the Hāwera Central Business District near the Water Tower which has Qualmark accreditation and satellite information services from six of the LibraryPlus facilities around the District to promote tourism within the area. The i-SITE is open seven days per week including every public holiday except Christmas Day.

Events are undertaken and supported by the Council to provide the community with a range of recreational and cultural activities that bring communities together and add to the character and spirit of the community. The Council is involved in a range of events throughout the District and supports them in a variety of different ways. This may be financially through sponsorship, ticketing and bookings, facilitation of a local element of a regional/national event, promotions and marketing or complete the organisation of an event.


WHY WE DO IT

The Council adopted an Economic Development Strategy in 2014 with a vision for a vibrant and thriving community that appeals to industry, business, entrepreneurs, visitors and our residents. The activities within the District Economy Activity all contribute to this goal.

HOW WE PERFORMED


ECONOMIC DEVELOPMENT

Performance Measure 1 – Number of client interactions with the Business Advisory Service

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Existing or new businesses are supported and assisted to grow.	Number of client interactions with the Business Advisory Service.	Achieved. 923	≥ 475	 A total of 1,076 client interactions were made for the year.

WHAKATIPURANGA O TE ROHE

Performance Measure 2 – Dollar value of Capability Development vouchers distributed in South Taranaki


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Existing or new businesses are supported and assisted to grow.	Dollar value of Capability Development vouchers distributed in South Taranaki.	New measure	≥ 75,000	 The dollar value of the Capability Development Vouchers distributed in South Taranaki for the year was \$91,489.

Performance Measure 3 – Number of South Taranaki promotions per annum

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
South Taranaki is promoted as a great place to live, work and visit.	Number of South Taranaki promotions per annum.	New measure	≥ 10	 Ten promotions were supported for the year. An advert was supported in the AA Walkers Guide, Venture Taranaki has produced three South Taranaki case studies of new and returning residents to the District, two adverts were in the NZ Today magazine, one in the AA Tourism Taranaki Regional Visitor Guide and one in the NZ Holiday Parks Book with free listings on the AA Website, as well as a video developed in partnership with Venture Taranaki to promote South Taranaki in Harbin.

TOURISM

Performance Measure 4 – Qualmark Accreditation is maintained

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Customers are satisfied with the level of service they received at the i-SITE.	(T) Qualmark accreditation is maintained.	Held	Held	 Qualmark assessment was conducted in June 2018 and was valid until June 2019. Awaiting confirmation from Qualmark for arrangement of next assessment.

DISTRICT ECONOMY


COMMUNITY DEVELOPMENT WHAKAWHANAKE HAPORI

EVENTS


Performance Measure 5 – Number of events Council has provided or supported per annum

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Council will provide, encourage and/or support events within the District.	Minimum number of events Council has provided or supported per annum.	Achieved. 18 (target 6)	≥ 10	 <p>18 events were provided or supported during the year; the School Holiday Programme (3), the Scale Ship Regatta, Comedy Night, Arts on Tour - Messy Magic Adventure, Seven Deadly Stunts, Arts in the Park, the Ranfurly Shield Game, Arts on Tour in Ōpunakē, Family Fun at the Movies in Ōpunakē and Hāwera, the Mayoral VC Dinner, Sounds on the Sand, Sounds in the Park, Movies in the Park and AmeriCARna in Hāwera and Ōpunakē.</p>

Performance Measure 6 – Attendees satisfied with selected Council events

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Council events are well organised, safe and well attended.	% of attendees satisfied with selected Council events.	Achieved. 97% (target 95%)	≥ 90%	 <p>The survey was completed for Arts in the Park with 98% satisfied with the event.</p>

Performance Measure 7 – Number of serious accidents due to poor event management

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Council events are well organised, safe and well attended.	(C) Number of incidents due to poor event management.	Achieved. 0 (target 0)	≤ 3	 <p>No incidents were recorded for the year.</p>



COMMUNITY DEVELOPMENT

WHAKAWHANAKE HAPORI

WHAT WE DO

The Community Development activity is made up of services aimed at developing the partnership between the Council and the community, enabling the community to participate in the Council's planning, development and implementation of initiatives. The activity also supports communities to undertake projects and achieve outcomes they desire for themselves.

Partnerships with regional stakeholders on initiatives of benefit to the District are also developed and maintained. The Council manages Roadsafe Taranaki on behalf of the three District Councils. The Council is a partner in initiatives including the Regional Disability Strategy, Regional Public Transport Service and Regional Capacity Building Incubator, The Wheelhouse.

The Council has a nominated budget within the Long Term Plan for grants and discretionary funding for the four Community Boards and the Iwi Liaison Committee. We administer the Rural Travel Fund on behalf of Sport and Recreation New Zealand and the Creative Communities Scheme on behalf of Creative New Zealand.


WHY WE DO IT

This group of activities supports the community's well-beings by helping to build their capacity and to implement projects and initiatives they have identified as priorities to enhance their communities, making them attractive places to live, do business, work and visit.


HOW WE PERFORMED

COMMUNITY DEVELOPMENT


Performance Measure 1 – Participants in workshops and training sessions find the training useful

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Communities and Groups are provided with the skills they need to support them to achieve their own goals.	% of participants in workshops and training sessions find the training useful.	Achieved. 97% (target 85%)	≥ 80%	 <p>Two workshops were held for the year with 100% of attendees saying it was useful. These included a Governance for Sustainable Voluntary and Community Organisations Workshop and an Introduction to Planning workshop.</p>

Performance Measure 2 – Cost of community led projects (supported by Council) funded from external sources

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Partnerships with community groups are developed to make the best use of resources.	% of the cost of community led projects (supported by Council) funded from external sources.	Achieved. 96%	≥ 50%	 <p>During the year Paepae in the Park was supported with 63% of their funding coming from sources other than Council.</p>

Performance Measure 3 – Total cost of Council led projects (in community partnership) funded externally

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Partnerships with community groups are developed to make the best use of resources.	% of the total cost of Council led projects (completed in partnership with the community) funded from external sources.	Achieved. 50%	≥ 33.3%	 <p>50% of the total cost of Council-led projects have been funded from external sources; \$450,000 from the Lotteries Community Facilities Fund and \$125,187 from the Tourism Infrastructure Fund.</p>

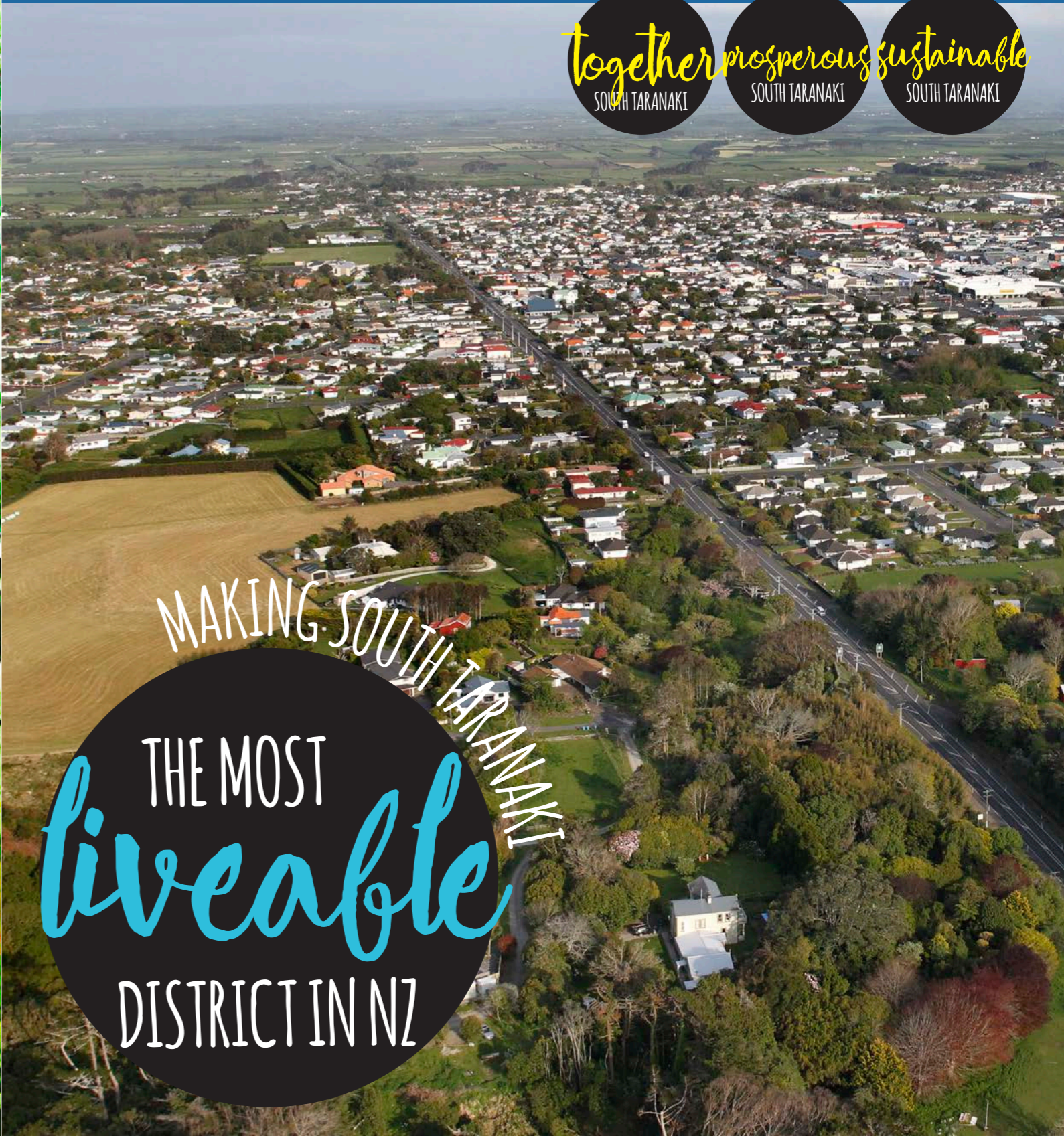


vibrant
COMMUNITIES

ENVIRONMENTAL SUSTAINABILITY TE PŪTAIAO



together prosperous sustainable
SOUTH TARANAKI SOUTH TARANAKI SOUTH TARANAKI



MAKING SOUTH TARANAKI
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WHAT WE DO

Environmental Sustainability activities include the following:

- Promoting sustainable management of the environment through the District Plan
- Applying the provisions of the District Plan through the assessment and determination of land use and subdivision consents

PLANNING

Planning involves applying the provisions of the South Taranaki District Plan to meet the Council's obligations under the Resource Management Act 1991. As well as processing resource consents, this consists of providing advice to customers on subdivision and land use activities and monitoring compliance with the District Plan and resource consent conditions.

ENVIRONMENTAL POLICY

The Environmental Policy activity involves promoting the sustainable management of the environment through the District Plan and providing funding assistance to people protecting areas of indigenous vegetation or habitats of indigenous fauna. The Council began reviewing the District Plan in 2013 and decisions on submissions were released in December 2016. Nine appeals were lodged and eight of these have since been resolved, either through Court assisted mediation or Environment Court hearings. Due to its complexity, the final appeal has resulted in three Environment Court hearings and is still to be determined.


WHY WE DO IT

Environmental Sustainability contributes to protecting and managing the natural and built environment for the benefit of the whole community.


HOW WE PERFORMED

PLANNING

Performance Measure 1 – Resource consent applications processed within specified timeframes

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Consents for subdivisions and development are processed in a timely manner.	(T) % of resource consent applications processed within statutory timeframes.	Achieved. 100%	100%	 <p>Of the 157 applications received for the year all were processed within the statutory timeframes.</p>

Performance Measure 2 – Consents monitored by their due date

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Consent compliance is monitored by the Council.	Consents are monitored by their due date.	Not achieved. 52% (target 85%)	≥ 90%	 <p>The target was on track to be achieved but compliance was affected by a staff resignation which resulted in a reduced service while recruitment took place. Planning was fully staffed by Q3 and the backlog was actively reduced. Of the 146 consents monitored for the year, 85 (58%) were monitored by their due date.</p>

ENVIRONMENTAL POLICY

Performance Measure 3 – Plan Changes and Variations to the District Plan are undertaken in accordance with legislative timeframes

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Growth and development is planned while our natural and physical resources are managed in a sustainable manner.	The Plan Changes and Variations to the District Plan are undertaken in accordance with legislative timeframes.	New measure	Achieved	<p>N/A</p> <p>This performance measure was not applicable this year due to the Full Plan Change Review still in progress, as appeals are now going through the Environment Court process.</p>

Performance Measure 4 – Plan change projects that have dedicated periods of officer time set aside for consulting with Iwi

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Iwi are supported to contribute to local environmental issues.	% of Plan Change projects that have dedicated periods of officer time set aside for consulting with Iwi.	Not applicable. There were no Plan Change projects	100%	<p>N/A</p> <p>This performance measure was not applicable as there were no Plan Change projects during the year due to the existing Plan Change Review being in progress.</p>

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COMMUNITIES



REGULATORY SERVICES RATONGA WHAKATURE



MAKING SOUTH TARANAKI

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REGULATORY SERVICES

WHAT WE DO

Regulatory Services includes the following Council activities – Building Control, Environmental Health, Licensing - Alcohol & Gambling, Noise Control, Parking Control, Animal Services, Regulation Monitoring, and Civil Defence & Emergency Management.

BUILDING CONTROL

The Building Control activity involves regulating construction to ensure that buildings are safe for people to use; are designed and built in a manner that promotes sustainable development; and fulfil the purposes of the Building Act 2004. In doing so, approximately 590 building consents each year are received and processed, and the building work inspected. In addition, Territorial Authority activities include maintaining a Building Warrant of Fitness register of buildings with specified safety systems, identifying, registering and monitoring Earthquake-prone buildings, and maintaining a register of properties with Swimming Pools.

ENVIRONMENTAL HEALTH

Part of Council's regulatory role is to promote, protect and improve public health in the district. There is a close relationship between people and the environment. What happens in the environment can have an adverse effect on our health.

Council's Environmental Health Officers actively identify issues and assess the health risks related to food businesses, hairdressers, camping grounds, funeral parlours, stock sales yards and many issues relating to the management of private properties and commercial activities to protect the health of the surrounding community.

LICENSING – ALCOHOL AND GAMBLING

Alcohol licensing law in New Zealand is set by the Sale and Supply of Alcohol Act 2012. Applications for alcohol licences and managers' certificates are determined by the South Taranaki District Licensing Committee (DLC), an independent committee appointed by Council. The Council has appointed alcohol licensing inspectors, who report on all applications and monitor licensed premises for compliance with the Act and provide support to the DLC.

The 3-yearly review of the Gaming Venues Policy was commenced in the 2018/19 year, with deliberations scheduled for September of the 2019/20 Financial Year.

NOISE CONTROL

The Council deals with specific noise problems. Some kinds of noise - such as noisy cars and workplace noise - are controlled by other organisations under different regulations. The Environmental Health Officers of Council deal with excessive noise complaints from:

- Loud parties and stereos
- House and building alarms
- Construction activity
- Buskers and bars
- Industry or commercial uses affecting residents

RATONGA WHAKATURE

ANIMAL MANAGEMENT

Animal management activities cover the registration of dogs, administration of the Dog Control Act 1996, the Council's Dog Control Policy and Bylaws, plus the Impounding Act. The Council registers approximately 4,600 dogs each year. Considerable time is directed at dealing with dog control issues in the District, such as increasing owner awareness and education to reduce incidents of roaming and aggressive dogs.

The Animal management team responds to nearly 1,300 complaints each year. This includes:

- dogs attacking or threatening people, domestic animals, stock, poultry or property
- roaming dogs
- unregistered dogs
- dog nuisance, such as loud and excessive barking or howling
- wandering stock obstructing public roads
- keeping of goats, pigs and other stock within city boundaries

REGULATION MONITORING

This activity enforces several Council bylaws. Key duties include licensing of street stalls, removing obstructions in public places, removing abandoned vehicles and responding to illegal waste/rubbish dumping.

CIVIL DEFENCE & EMERGENCY

The Council is involved in Civil Defence and Emergency Management to provide for the safety of the public and also the protection of property in South Taranaki. The Council is a partner in the Taranaki Emergency Management Office (TEMO), which delivers Civil Defence and Emergency Management services throughout Taranaki on behalf of the councils in the region. The Council is obligated to plan and provide for Civil Defence and Emergency Management within South Taranaki and to ensure that it can function at the fullest possible extent during an emergency.


WHY WE DO IT

The regulatory services activity covers a broad range of tasks – in all cases Council performs a role because it is set by statute, and we do it because of our duty of care to the health and safety of the community and the environment, both natural and built.

HOW WE PERFORMED


BUILDING CONTROL

Performance Measure 1 – Building Consent applications processed within specified timeframe

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Building consents are processed efficiently.	% of building consent applications processed within the statutory timeframe of 20 working days.	Not achieved. 99.82%	100%	 <p>For the year, 452 (74%) of 609 consents were issued within the statutory timeframe. Compliance was affected by staff sickness, leave, training and staff resignations. This issue has been addressed.</p>

REGULATORY SERVICES

Performance Measure 2 – Building inspections carried out within specified timeframe


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Customers receive industry recognised quality service.	% of building inspections carried out within 2 working days of request.	Achieved. 100%	≥ 95%	 For the year, all 2,047 inspections were inspected within the timeframes.

Performance Measure 3 – Accreditation as a Building Consent Authority is retained


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The Council retains authority to issue building consents.	Accreditation as a Building Consent Authority is retained.	Retained	Retained	This is measured biennially. IANZ have recommended retention of accreditation with a next full assessment scheduled for June 2021.

ENVIRONMENTAL HEALTH

Performance Measure 4 – New/renewal premises applications processed within specified timeframe


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
New food premises can open to the public quickly and existing food premises can continue to trade.	% of New Premises Applications and Renewal Premises Applications processed within 10 working days.	Achieved. 97%	≥ 95%	 For the year, all 156 premises applications were processed within 10 working days.

Performance Measure 5 – Licensed premises that are audited within one month of the due date


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Food premises are hygienic, and food sold to the public is safe to eat.	% of licensed premises that are audited within 1 month of the due date.	New measure	≥ 95%	 For the year, all 109 premises were audited and completed within 1 month of the due date.

RATONGA WHAKATURE

Performance Measure 6 – Number of complaints received from food premises operators about standard of service


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Food premises operators receive high quality service.	The number of complaints received from food premises operators about standard of service per annum.	Achieved. 0	≤ 5	 No complaints were received for the year.

Performance Measure 7 – Number of licensed premises that are inspected annually


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Hairdressers, camping grounds/holiday parks, funeral homes & offensive trade premises are hygienically safe.	% of licensed premises that are inspected annually.	New measure	≥ 95%	 For the year, all 47 health premises were inspected. Note: Some premises had multiple inspections.

LIQUOR LICENSING

Performance Measure 8 – Number of Council facilitated workshops to encourage host responsibility


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Premises selling liquor to the public are licensed and are running their business responsibly.	(C) Number of workshops to encourage host responsibility that the Council is involved in facilitating per annum.	Not achieved. 1	2	 Two workshops were facilitated during the year.

Performance Measure 9 – Licensed premises that are annually inspected

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Premises selling liquor to the public are licensed and are running their business responsibly.	(T) % of licensed premises that the Council has contact with or are inspected.	Achieved. 100%	100%	 For the year, all 88 licensed premises were inspected. Note: Some premises had multiple inspections.


REGULATORY SERVICES

Performance Measure 10 – Unopposed Liquor Licence applications processed within specified timeframe

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Unopposed Liquor Licence Applications are processed promptly.	(T) % of unopposed Alcohol Licence Applications processed within 10 working days of receipt of all reports.	Achieved. 96%	≥ 95%	 <p>For the year 62 (97%) out of 64 applications were processed within 10 days.</p>


NOISE CONTROL

Performance Measure 11 – Noise complaints responded to within specified timeframe


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Provide a prompt and reliable noise control service 24 hours a day, 7 days a week.	% of noise complaints responded to within one hour.	Achieved. 99%	≥ 90%	 <p>For the year 525 (91%) of the 577 noise complaints received were responded to within 1 hour.</p>

ANIMAL CONTROL

Performance Measure 12 – Residents satisfied with the Animal Control service


Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Residents are satisfied with the Animal Control service.	% of residents satisfied with the Animal Control service.	New measure	≥ 75%	 <p>The Annual Resident's Survey showed that 78% of residents were satisfied with the Animal Control service.</p>

Performance Measure 13 – Reported serious dog or wandering stock incidents responded to within specified timeframe

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
A prompt and reliable animal control service will be provided 24 hours a day, 7 days a week for wandering stock and serious dog incidents*.	% of reported serious dog or wandering stock incidents responded to within 4 hours.	Achieved. 99% (target 97%)	≥ 95%	 <p>For the year, 382 (99%) of the 387 serious incidents reported were responded to within 4 hours.</p>

RATONGA WHAKATURE

Performance Measure 14 – Reported general dog incidents responded to within specified timeframe

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
A reliable and responsive animal control service that investigates general dog incidents*.	% of reported general dog incidents responded to within 1 working day.	Achieved. 98% (target 97%)	≥ 95%	 <p>For the year, 1,261 (98%) of the 1,288 general dog incidents reported were responded to within 1 working day.</p>

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

* general dog incidents – barking and roaming.

CIVIL DEFENCE AND EMERGENCY MANAGEMENT

Performance Measure 15 – Roles identified and staffed for 24 hour operations of the EOC and staff trained appropriately

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The Council is ready to respond to a Civil Defence Emergency and is able to function for as long as required during an emergency.	Roles identified and staffed for 24 hour operations of the Emergency Operations Centre (EOC) and staff trained to the appropriate level agreed to by the Civil Defence and Emergency Management Group.	New measure	100% of roles filled	 <p>All EOC Managers have had training specific to their roles. Staff have been identified for the required roles. All roles have back-up alternative staff as well. Training has been delivered to staff and programmed to continue throughout the following year. TEMO and the 4 Councils have identified the equipment required to align the EOC's and enable staff to work at any EOC if called upon. Meanwhile Council EOC has retained the ability to activate its EOC when required.</p>
		New measure	35% of staff trained	

REGULATORY SERVICES

Performance Measure 16 – Community Action Plans are prepared and in place by 2026 for all 8 principal towns

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
The Council actively engages with the wider community to increase the level of awareness, and understanding of, and preparation and readiness for emergencies and strengthening community resilience.	Community Action Plans are prepared in conjunction with, and for, each town. By 2026 Community Action Plans are prepared and in place for all 8 principal towns in the South Taranaki District.	New measure	One Community Action Plan prepared per year	 <p>Training was given to volunteers in the Ōpunakē Community, and discussions have taken place with Waverley volunteers to repeat the same. Emergency Plans for the two communities existed previously and it was identified that by updating the existing plans methods and strategies could be developed for working with and retaining volunteers in new communities.</p>

COASTAL STRUCTURES NGĀ MOMO HANGA KI TAI



MAKING SOUTH TARANAKI
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COASTAL STRUCTURES

WHAT WE DO

The Council provides access paths and steps to the sea and several boat ramps to allow recreational craft to access water bodies. The Council provides coastal protection in the form of revetments in a number of places and maintains a number of significant structures in the Pātea estuary such as the river moles. These concrete and stone walls guide the Pātea River out to sea. These and the associated structures in the Pātea estuary would cost over \$20 million to replace. Maintenance projects are in progress to ensure the levels of service for the moles and associated structures, so as to maintain the navigable channel of the river as long as possible.

WHY WE DO IT

The District has a beautiful marine and river environment. This activity ensures pedestrians can access the beaches and lakes, and boat users can access the water. To maintain these facilities means that the Council needs to protect erosion-prone areas close to existing infrastructure and maintain access to the sea. The Council does not have any Flood Protection and Coastal Works, as defined in the LGA 2012, so this activity is not a mandatory activity.


SIGNIFICANT NEGATIVE EFFECTS

Infrastructure built in the marine environment is subject to dynamic and significant on-going natural forces (tides, currents, wave action, erosion and corrosion). This infrastructure therefore requires significantly more robust engineering and relatively expensive maintenance, when compared to similar land-based construction. The future effects of climate change may only exacerbate this situation.

There are ongoing difficulties with meeting health and safety standards when inspecting, repairing or maintaining coastal structures.

HOW WE PERFORMED

Performance Measure 1 – Compliance with Resource Consent conditions

Level of Service	Performance Measure	2017/18 Actuals	Target 2018/19	For the year ended 30 June 2019
Comply with the Taranaki Regional Council Resource Consent conditions for coastal structures.	% of compliance with Resource Consent conditions.	New measure	≥ 100%	 <p>There have been no reported breaches of resource consent conditions for coastal structures for the year.</p>

CORPORATE ACTIVITIES NGĀ MAHINGA MATAKITE Ā ROHE

(REALLOCATED OVERHEADS)

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CORPORATE ACTIVITIES

Corporate Activities are the supporting services which are an essential part of ensuring the Council operates in an effective and efficient manner, meeting its statutory obligations, and is able to work towards the achievement of our community outcomes.

These activities are internally focused and do not have a direct output to the community, rather they are internal support systems for those activities that do. As the Support Services activities are internal services there are no Long Term Plan levels of service or performance measures, however they have their own business plans.

This activity includes some of the following functions:

- Contact Centre
- Corporate Property
- Policy and Governance
- Finance and Business Services
- Information Management and Information Technology
- Human Resources
- Communications

STATEMENT OF ACCOUNTING POLICIES TE KAUPAPA HERE O NGĀ TAUĀKI PŪTEA

FOR THE YEAR ENDED 30 JUNE 2019

MAKING SOUTH TARANAKI
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STATEMENT OF ACCOUNTING POLICIES

TE KAUPAPA HERE O NGĀ TAUĀKI PŪTEA

ENTITY STATEMENT

The South Taranaki District Council (the Council) is a territorial local authority governed by the Local Government Act 2002. The primary objective of the South Taranaki District 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 and the group as a public benefit entity. The consolidated financial statements are for the Council and its subsidiary, Novus Contracting Limited (100% owned). The Council and all related entities are domiciled and incorporated, where applicable, in New Zealand. The financial statements are for the year ended 30 June 2019. The financial statements were authorised by the Council on 9 October 2019.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared to comply with the requirements of Section 95 of the Local Government Act 2002 and Local Government Rating Act 2002. The Council is a public benefit entity (PBE) and complies with the PBE Accounting Standards Tier 1 issued by the External Reporting Board.

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

MEASUREMENT BASE

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, and certain financial instruments (including derivative instruments) except for assets and liabilities which are recorded at fair value. These are detailed in the specific policies below.

FUNCTIONAL AND PRESENTATION CURRENCY

The Financial Statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000) and as a result there may be some rounding errors. The functional currency of the Council and group is New Zealand dollars.

CHANGES IN ACCOUNTING POLICIES

There have been no other changes in accounting policies.

STANDARDS ISSUED AND NOT YET EFFECTIVE AND NOT EARLY ADOPTED

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council and group are:

Amendments to PBE IPSAS 34-38

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34-38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6-8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council has not yet assessed the effects of these new standards.

Amendments to PBE IPSASs 21 & 26

In April 2017, the XRB issued Impairment of Revalued Assets, which now scopes in revalued property, plant and equipment into the impairment accounting standards PBE IPSASs 21 and 26, which will require Council to assess at each reporting date whether there is any indication that an asset may be impaired. However, where an impairment loss is recognised for an asset, or group of assets, that is revalued, an entity is not necessarily required to revalue the entire class of assets to which that impaired asset, or group of assets, belongs. This amendment is effective for periods beginning on or after 1 January 2019.

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council has not yet assessed the effects of these new standards.

Amendments to PBE IFRS9

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replace PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council has not yet assessed the effects of the new standard.

Amendment to PBE IPSAS 2 Statement of Cash Flows

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The Council does not intend to early adopt the amendment.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. The Council has not yet determined how application of PBE FRS 48 will affect its statement of performance.

SPECIFIC ACCOUNTING POLICIES

The following accounting policies, which materially affect the measurement of results and financial position, have been applied.

1. CONSOLIDATION OF SUBSIDIARIES

Subsidiaries are all entities over which the Council has the power to govern the financial and operating policies, generally with more than fifty percent of the voting rights. Novus Contracting Limited has been consolidated using the purchase method and the company is inactive. The purchase method is used to consolidate subsidiaries and controlled entities. This method involves adding together corresponding assets, liabilities, revenues and expenses on a line-by-line basis. All significant inter-entity transactions have been eliminated.

2. BUDGETS

The budget figures are those approved by the Council in its 2018/2028 Long Term Plan/Annual Plan. The budget figures have been prepared in accordance with using accounting policies that are consistent with those adopted in preparing these financial statements.

3. REVENUE

Revenue comprises rates, revenue from operating activities (fees and charges), investment revenue, grants and subsidies, capital contributions, gains, bequests and other revenue and is measured at the fair value of consideration received or receivable. Revenue may be derived from exchange and non-exchange transactions.

EXCHANGE TRANSACTIONS

An exchange transaction is where the Council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to the other party in exchange.

NON-EXCHANGE TRANSACTIONS

A non-exchange transaction is where the Council receives value from another party without giving approximately equal value in exchange.

An inflow of resources from non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

a. Rates

Rates are set annually by a resolution from the Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised at the start of the financial year to which the

STATEMENT OF ACCOUNTING POLICIES

rates resolution relates. Rates revenue collected on behalf of the Taranaki Regional Council is not recognised in the financial statements, apart from the statement of cash flows, as South Taranaki is acting as an agent for the Regional Council.

Rates arising from late payment penalties are recognised as revenue when rates become overdue.

Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfied its rates remission policy.

Rates collected on behalf of the Taranaki Regional Council (TRC) are not recognised in the financial statements (except for statement of cashflow), as the Council is acting as an agent for the TRC.

Revenue from water rates by meter is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Rate revenue is classified as non-exchange except for metered water rates which are classed as exchange revenue.

b. Government Grants and Subsidies

Government grants and subsidies are recognised upon entitlement at their fair value, which is when conditions pertaining to eligible expenditure have been fulfilled. The Council receives government grants from the New Zealand Transport Agency, which subsidises part of the costs in maintaining the local roading infrastructure. Grants and Subsidies are classified as non-exchange revenue.

c. Fees and Charges and Sale of Goods

Revenue from fees and charges is recognised from the rendering of services (eg building consent fees) where the transaction is based on the actual service provided as a percentage of the total services to be provided. Under this method, revenue is recognised in the accounting periods in which the services are provided. Within rendering of services most activities are partially funded by rates and therefore classified as non-exchange revenue. Sale of goods is recognised when goods are delivered and is classified as exchange revenue.

d. Investment Revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable. Interest revenue is classified as exchange revenue.

Dividends are recognised when the shareholders' rights to receive payment have been established and are recognised, net of imputation credits. Dividends are classified as exchange revenue.

e. Other Grants, Bequests and Vested Assets

Other grants, bequests and assets vested in the Council are recognised when control over the asset is obtained. Vested assets are recognised as revenue at the fair value of the assets at the time of vesting. The above revenue is classified as non-exchange revenue.

f. Capital Contributions

Capital contributions for assets are recognised as revenue when received and is classified as non-exchange revenue.

g. Gains

Gains include additional earnings on the disposal of property, plant and equipment and movements in the fair value of financial assets and liabilities. Gains are classified as exchange revenue.

h. Foreign Currency - Exchange Differences

Foreign currency transactions have been converted into New Zealand dollars at the rate of exchange at the date of the transaction. Gains or losses on exchange have been recognised in the Surplus/Deficit. Gains on foreign currency exchange are classified as exchange revenue.

TE KAUPAPA HERE O NGĀ TAUĀKI PŪTEA

4. EXPENSES

Specific accounting policies for major categories of expenditures are outlined below:

a. Grants and Sponsorships

Expenditure is classified as a grant or sponsorship if it results in a transfer of resources to another party in return for compliance with certain conditions relating to the operating activities of that party. It includes any expenditure arising from a funding arrangement with another party that has been entered into to achieve the objectives of the Council. Grants and sponsorships are distinct from donations which are discretionary or charitable gifts. Where grants and sponsorships are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specific criteria have been fulfilled.

b. Finance Expenses - Interest

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred. The Council has not capitalised borrowing costs associated with funding capital works in progress.

c. Depreciation and Amortisation

Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

5. TAXATION

a. Goods and Services Tax (GST)

GST has been excluded from all items in the financial statements except accounts receivable and accounts payable. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

b. Tax

Tax expense is charged in the Statement of Financial Performance in respect of the current year's surplus after allowance for permanent differences.

Deferred taxation is the amount of taxes payable (or receivable) in future years in respect of temporary differences (ie where the accounting treatment differs from the Inland Revenue Department's requirements). Deferred taxation is determined using the full provision method. Deferred tax assets are only recognised when recovery is probable.

6. FINANCIAL INSTRUMENTS

South Taranaki undertakes financial instrument arrangements as part of normal operations. These financial instruments include cash and bank balances, investments, receivables, payables and borrowings. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Surplus/Deficit. Interest rate swaps are entered into to hedge against and manage its exposure to risk on debt.

a. Financial Assets

Financial Assets are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the Surplus/Deficit.

Purchases and sales of investments are recognised on trade-date, the date on which there is a commitment to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the transfer of substantial risks and rewards is completed.

Fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. A variety of methods and assumptions are used based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long term debt instruments held. Other techniques, such as discounted cash flows, are used to determine fair value for the remaining financial instruments.

STATEMENT OF ACCOUNTING POLICIES

At year-end, the assets are assessed for indicators of impairment. Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired.

For shares, a significant or prolonged decline in the fair value of the shares below its cost is considered to be objective evidence of impairment. For listed bonds, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments is considered to be objective evidence of impairment.

Financial assets are classified into four categories:

Financial assets at fair value through surplus or deficit:

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the Surplus/Deficit.

Loans and receivables:

These are non-derivative financial assets with fixed or determined payments that are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the Surplus/Deficit. Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

Held to maturity investments:

Held to maturity investments 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 amortised cost using the effective interest rate method. Gains and losses when the asset is impaired or derecognised are recognised in the Surplus/Deficit.

Investments in this category include term deposits, investments in local authority and government stock.

Financial assets at fair value through other comprehensive revenue and expense:

Financial asset at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other three categories above. This category includes investments that are held long term but which may be realised before maturity; and shareholdings that are held for strategic purposes. Investments in its subsidiary are not included in this category as they are held at cost. Gains and losses are recognised directly in equity except for impairment, which are recognised in the Surplus/Deficit. In the event of impairment, any cumulative losses previously recognised in other comprehensive revenue and expense will be recognised in the Surplus/Deficit even though the asset has not been derecognised. On derecognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is recognised in the Surplus/Deficit.

7. FINANCIAL LIABILITIES

Financial liabilities comprise trade and other payables and borrowings. Financial liabilities (creditors, revenue in advance, loans, bonds and deposits) are initially recognised at fair value. Financial liabilities with duration of more than 12 months are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Amortisation is recognised within surplus or deficit. Financial liabilities with duration of less than 12 months are recognised at their nominal value. On disposal any gains or losses are recognised within surplus or deficit.

a. Impairment of Financial Assets

At each balance date the Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the Surplus/Deficit.

b. Derivative Financial Instruments and Hedging Activities

The Council uses derivative financial instruments to hedge its exposure to interest rate risks arising from operational, financing and investment activities. In accordance with the treasury policies of the respective group entities, the Council does not hold or issue derivative financial instruments for trading purposes. However, derivatives are accounted for as trading instruments.

TE KAUPAPA HERE O NGĀ TAUĀKI PŪTEA

Derivative financial instruments are recognised initially at fair value and subsequently at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the Surplus/Deficit. The fair value of interest rate swaps is the estimated amount that would be received or would pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with the original maturities of three months or less. It includes all funds held for the day-to-day management of the Council and does not include funds set aside for specific purposes (e.g. Reserve Funds).

9. ACCOUNTS RECEIVABLE

Accounts receivable are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of accounts receivable is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the agreement. The amount of the provision is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

10. INVENTORIES

Inventories are valued at the lower of cost (determined on a first-in first-out basis) and net realisable value. This valuation includes allowances for slow moving and obsolete inventories.

11. INVESTMENTS

Investments in bank deposits are recognised at cost plus accrued interest. This is considered fair value. Long term receivables and advances are recognised at cost plus accrued interest. Investments in associates are recognised at cost.

The Council's interest in the Joint Whanganui District Council's Forestry Committee is valued at fair value, using the discounted cash flow method. Movements in fair value will be taken through equity.

Investments and other shares are valued at fair value. Where there is an active market, fair value is determined by reference to published prices. Otherwise fair value is determined by using a variety of valuation techniques. Movements in fair value will be taken through equity.

12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of operational assets, restricted assets and infrastructure assets.

All assets are recorded at cost/valuation less accumulated depreciation (with the exception of land which is not depreciated).

All property, plant and equipment is classified as non-cash generating as these assets are not held with a primary objective of generating commercial return.

For those assets that are re-valued, the change in valuation is credited or debited to the 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 Financial Performance. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the Statement of Financial Performance will be recognised first in the Statement of Financial Performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset. Additions subsequent to revaluations are recorded at cost.

DISPOSALS

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included

STATEMENT OF ACCOUNTING POLICIES

in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

OPERATIONAL ASSETS

These include land, building, motor vehicles, plant and equipment and library books.

Land and buildings are valued at fair value, as determined from market based evidence, by Beca Projects NZ Limited, Registered Valuers, as at 30 June 2017. Valuations are generally carried out on a three-yearly cycle unless market conditions require otherwise. Motor vehicles, library books and plant and equipment are valued at cost less accumulated depreciation.

RESTRICTED ASSETS

These are assets owned by the Council that cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.

Land and buildings are valued at fair value, as determined from market based evidence, by Beca Projects NZ Limited, Registered Valuers, as at 30 June 2017. Valuations are generally carried out on a three-yearly cycle unless market conditions require otherwise.

Parks and Recreation Assets were valued at fair value by Beca Projects NZ Limited, Registered Valuers, as at 30 June 2017. Valuations are carried out on a three-yearly cycle.

Heritage and Cultural Assets were valued at fair value by Registered Valuer, Quotable Value New Zealand Limited, as at 1 July 2001. This is considered deemed cost.

INFRASTRUCTURAL ASSETS

These are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function.

Sewerage, water, drainage, and roading infrastructural assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over-or-under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

Infrastructural assets (excluding land) have all been valued at optimised depreciated replacement cost by Beca Projects NZ Limited and Calibre Consulting, Registered Valuers as at 30 June 2017. Valuations are generally carried out on a three-yearly cycle unless market conditions require otherwise. Infrastructural land under Roads was valued at market value by Beca Projects NZ Limited, Registered Valuers, as at 30 June 2017. Valuations are generally carried out on a three-yearly cycle unless market conditions require otherwise.

Certain infrastructural assets and land have been vested in the Council as part of the sub-divisional consent process. The vested asset has been valued at the latest appropriately certified government valuation or at a mutually agreed market value or at a value determined through arbitration. Vested infrastructural assets have been based on the actual quantities of infrastructural components vested and current "in the ground" cost of providing identical services. All other assets are valued at historical cost less accumulated depreciation.

TE KAUPAPA HERE O NGĀ TAUĀKI PŪTEA

13. DEPRECIATION

Depreciation rates for fixed assets are as follows:

OPERATIONAL ASSETS

Depreciation rates for operational assets are based on a straight line basis.

Buildings	1.43%	-	33.33%
Motor Vehicles	15.55%	-	20.00%
Plant and Equipment	3.33%	-	20.00%
Information Systems Equipment	10.00%	-	33.00%
Library Books	10.00%	-	20.00%
Furniture and Fittings	5.00%	-	20.00%
Office Equipment	10.00%	-	33.33%

INFRASTRUCTURAL ASSETS

Roading

Provision has been made for depreciation of those significant components of the roading asset, based on their remaining lives.

The significant component depreciation rates are as follows:

Traffic Facilities, Signs and Markings	10 - 50 years	2.00%	-	10.00%
Bridges	50 - 100 years	1.00%	-	2.00%
Footpaths	25 - 60 years	1.67%	-	4.00%
Pavement Surfacing	2 - 16 years	6.25%	-	50.00%
Drainage and Culverts	45 - 80 years	1.25%	-	2.22%
Roading Base-course	40 - 80 years	1.25%	-	2.50%
Berms, Markings, Shoulder and Formation	Not depreciated			

Water, Sewerage and Stormwater Reticulation Systems

Provision has been made for depreciation of components of the assets based on their remaining life.

Water Reticulation	15 - 100 years	1.00%	-	6.67%
Water Treatment Plants	9 - 100 years	1.11%	-	10.00%
Sewerage Reticulation	50 - 174 years	0.57%	-	2.00%
Sewerage Treatment Plants	15 - 100 years	1.00%	-	6.67%
Stormwater Pipes	36 - 150 years	0.67%	-	2.78%

Restricted Assets

Heritage and Cultural Assets

Provision has been made for depreciation of components of the assets based on their remaining life.

23 - 250 years	0.40%	-	4.35%
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Parks and Recreation Assets

Provision has been made for depreciation of components of the assets based on their remaining life.

3 - 200 years	0.50%	-	33.33%
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Assets under Construction

Assets under construction are not depreciated. All costs are initially capitalised as work in progress. On completion, the cost is transferred to the relevant asset class and is then depreciated.

14. INTANGIBLE ASSETS

Software licences are recognised at cost and amortised on a straight line basis over the life of the licence (3 to 25 years) - a range of 4% to 33.33% per annum.

STATEMENT OF ACCOUNTING POLICIES

TE KAUPAPA HERE O NGĀ TAUĀKI PŪTEA

15. IMPAIRMENT OF ASSETS

At each balance date the Council assesses whether there is any objective evidence that any asset has been impaired. Any impairment losses are recognised in the Surplus/Deficit.

16. EMPLOYEE ENTITLEMENTS

Provision is made for employee benefits accumulating as a result of services rendered.

Provision is made in respect of the Council's liability for annual leave and sick leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay, while other provisions have been calculated on an actuarial basis at current rates of pay.

17. LANDFILL POST-CLOSURE COSTS

As operator of the District landfills, the Council has a legal obligation to provide on-going maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including legal requirements, known improvements in technology and all other costs associated with landfill post-closure.

Amounts provided for landfill post-disclosure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives. The time needed for post-closure care is as per the resource consents issued by TRC.

The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to the Council.

18. COMMUNITY LOANS

The Council has acted as guarantor for a number of sports clubs. These are valued in the Council's financial statements at fair value, taking into account the likelihood of the Council being required to make payment on these loans.

19. PUBLIC EQUITY

Public equity is the community's interest in the Council, as measured by the value of total assets less total liabilities. Equity is dis-aggregated and classified to enable a clearer identification of the various components. Accumulated balances comprise accumulated surpluses over the years.

Restricted and Statutory Reserves are those funds subject to external restrictions accepted as binding by the Council, which may not be revised by the Council without reference to the courts or a third party. Investment Revaluation Reserves comprise accumulated valuation increments.

20. LEASES

Leases where the lessor substantially retains all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses in the periods in which they are incurred.

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the Statement of Financial Position. The leased assets are depreciated over the period the Council is expected to benefit from their use.

21. STATEMENT OF CASH FLOWS

Cash means cash balances on hand, held in bank accounts, deposits on demand and other highly liquid investments in which the Council invests as part of its day-to-day cash management.

Operating Activities include cash received from all revenue sources and record the payments made for the supply of goods and services. Agency transactions (for example, the collection of regional council rates) are recognised as receipts and payments in the Statement of Cash Flows given that they flow through the Council's main bank account.

Investing Activities are those activities relating to the acquisition and disposal of non-current assets.

Financing Activities comprise activities that change the equity and debt capital structure of the Council.

22. ALLOCATION OF OVERHEADS

All support centre costs are passed onto activity centres as overheads. The basis of recovery is usage based on the step method.

23. 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. These estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are detailed below.

Infrastructural assets

There are a number of assumptions and estimates used when performing the depreciated replacement cost valuation. These include:

- The physical deterioration and condition of an asset. This is mainly for the assets that are not visible (eg underground utilities). There are on-going physical inspections and condition modelling assessments to improve information on these assets. Estimating any obsolescence or surplus capacity of any asset.
- Estimates are made determining the remaining useful lives over which the assets will be depreciated. Published guidelines, component design lives and local conditions have been used to assist with the estimation of the remaining useful lives.

Critical judgements in applying accounting policies

Management has consistently applied the Council's accounting policies for the period ended 30 June 2019 and has not been required to exercise critical judgement in implementing these policies beyond what would be expected on a normal day to day basis.

FUNDING IMPACT STATEMENTS

TE TAUĀKI PŪTEA WHAKAPĀNGA

SOUTH TARANAKI DISTRICT COUNCIL FUNDING IMPACT STATEMENT - DEMOCRACY & LEADERSHIP

TE POUMANUKURA as at 30 June 2019

Actual 2018 (\$,000)	2015-25 LTP 2018 (\$,000)		Actual 2019 (\$,000)	2018-28 LTP 2019 (\$,000)
SOURCES OF OPERATING FUNDING				
2,739	2,581	General rates, uniform annual general charges, rates penalties	2,734	2,374
0	0	Targeted Rates	0	0
0	0	Subsidies and grants for operating purposes	0	0
0	0	Fees and charges	3	0
0	0	Internal charge and overheads recovered	0	0
642	524	Local authorities fuel tax, fines, infringement fees and other receipts	463	576
3,381	3,105	Total operating funding (A)	2,840	2,950
APPLICATIONS OF OPERATING FUNDING				
1,099	855	Payments to staff and suppliers	1,061	1,009
2	2	Finance costs	2	0
1,920	1,771	Internal charges and overheads applied	1,960	1,935
519	491	Other operating funding applications	0	0
3,540	3,119	Total applications of operating funding (B)	3,024	2,943
(160)	(14)	Surplus (deficit) of operating funding (A-B)	(184)	7
SOURCES OF CAPITAL FUNDING				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
0	0	Increase (decrease) in debt	0	0
0	(4)	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
0	(4)	Total sources of capital funding (C)	0	0
APPLICATIONS OF CAPITAL FUNDING				
0	0	- To meet additional demand	0	0
0	0	- To improve the level of service	0	0
0	0	- To replace existing assets	0	0
(160)	(18)	Increase (decrease) in reserves	(184)	7
0	0	Increase (decrease) in investments	0	0
(160)	(18)	Total applications of capital funding (D)	(184)	7
160	14	Surplus (deficit) of capital funding (C - D)	184	(7)
0	0	Funding Balance ((A - B) + (C - D))	0	0
7	4	Excludes depreciation of:	7	7

Note: In the 2015-25 LTP, this activity group was known as Democratic Process.

SOUTH TARANAKI DISTRICT COUNCIL FUNDING IMPACT STATEMENT - WATER SUPPLY

NGĀ PUNA WAI as at 30 June 2019

Actual 2018 (\$,000)	2015-25 LTP 2018 (\$,000)		Actual 2019 (\$,000)	2018-28 LTP 2019 (\$,000)
SOURCES OF OPERATING FUNDING				
0	0	General rates, uniform annual general charges, rates penalties	0	0
13,063	12,380	Targeted Rates	13,131	12,832
0	0	Subsidies and grants for operating purposes	0	0
47	80	Fees and charges	71	83
0	0	Internal charge and overheads recovered	0	0
550	280	Local authorities fuel tax, fines, infringement fees and other receipts	673	375
13,660	12,740	Total operating funding (A)	13,874	13,290
APPLICATIONS OF OPERATING FUNDING				
3,097	2,999	Payments to staff and suppliers	3,286	3,170
2,444	3,262	Finance costs	2,331	2,799
2,020	1,470	Internal charges and overheads applied	2,201	2,097
0	0	Other operating funding applications	0	0
7,561	7,732	Total applications of operating funding (B)	7,819	8,066
6,099	5,008	Surplus (deficit) of operating funding (A-B)	6,056	5,224
SOURCES OF CAPITAL FUNDING				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
1,049	1,092	Increase (decrease) in debt	(1,097)	2,436
0	0	Gross proceeds from sale of assets	0	0
67	36	Lump sum contributions	(13)	0
		Other dedicated capital funding	0	0
1,115	1,128	Total sources of capital funding (C)	(1,110)	2,436
APPLICATIONS OF CAPITAL FUNDING				
454	0	- To meet additional demand	44	217
2,694	2,225	- To improve the level of service	1,443	3,055
2,430	3,988	- To replace existing assets	2,509	3,918
1,636	(77)	Increase (decrease) in reserves	949	470
0	0	Increase (decrease) in investments	0	0
7,214	6,136	Total applications of capital funding (D)	4,945	7,660
(6,099)	(5,008)	Surplus (deficit) of capital funding (C - D)	(6,056)	(5,224)
0	0	Funding Balance ((A - B) + (C - D))	0	0
4,559	4,624	Excludes depreciation of:	4,548	4,611

The above Statement includes interest of \$237,390, a new loan of \$2,865,748 and loan repayments of \$220,159 on internal borrowings. The outstanding balance of the internal loan is \$4,751,137.

FUNDING IMPACT STATEMENTS

TE TAUĀKI PŪTEA WHAKAPĀNGA

SOUTH TARANAKI DISTRICT COUNCIL

FUNDING IMPACT STATEMENT - STORMWATER

TE WAI ĀWHIOWHIO ME ŌNA RĪTENGA

as at 30 June 2019

Actual 2018 (\$,000)	2015-25 LTP 2018 (\$,000)		Actual 2019 (\$,000)	2018-28 LTP 2019 (\$,000)
SOURCES OF OPERATING FUNDING				
787	649	General rates, uniform annual general charges, rates penalties	900	900
8	6	Targeted Rates	8	8
0	0	Subsidies and grants for operating purposes	0	0
0	0	Fees and charges	0	0
0	0	Internal charge and overheads recovered	0	0
155	132	Local authorities fuel tax, fines, infringement fees and other receipts	170	174
950	787	Total operating funding (A)	1,079	1,081
APPLICATIONS OF OPERATING FUNDING				
221	220	Payments to staff and suppliers	246	218
170	179	Finance costs	171	196
261	223	Internal charges and overheads applied	312	388
250	0	Other operating funding applications	0	0
902	621	Total applications of operating funding (B)	729	803
48	166	Surplus (deficit) of operating funding (A-B)	350	279
SOURCES OF CAPITAL FUNDING				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
243	(8)	Increase (decrease) in debt	(125)	302
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
243	(8)	Total sources of capital funding (C)	(125)	302
APPLICATIONS OF CAPITAL FUNDING				
0	0	- To meet additional demand	0	0
55	155	- To improve the level of service	83	248
130	5	- To replace existing assets	78	332
105	(2)	Increase (decrease) in reserves	64	1
0	0	Increase (decrease) in investments	0	0
290	158	Total applications of capital funding (D)	225	581
(48)	(166)	Surplus (deficit) of capital funding (C - D)	(350)	(279)
0	0	Funding Balance ((A - B) + (C - D))	0	0
417	479	Excludes depreciation of:	429	463

The above Statement includes interest of \$74,461 and loan repayments of \$117,375 on internal borrowings. The outstanding balance of the internal loan is \$1,119,106.

SOUTH TARANAKI DISTRICT COUNCIL

FUNDING IMPACT STATEMENT - WASTEWATER

NGĀ PARAPARA as at 30 June 2019

Actual 2018 (\$,000)	2015-25 LTP 2018 (\$,000)		Actual 2019 (\$,000)	2018-28 LTP 2019 (\$,000)
SOURCES OF OPERATING FUNDING				
0	0	General rates, uniform annual general charges, rates penalties	0	0
4,341	4,299	Targeted Rates	4,596	4,595
0	0	Subsidies and grants for operating purposes	0	0
754	614	Fees and charges	580	903
0	0	Internal charge and overheads recovered	0	0
6	0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
5,101	4,914	Total operating funding (A)	5,176	5,498
APPLICATIONS OF OPERATING FUNDING				
2,329	2,447	Payments to staff and suppliers	2,633	2,428
1,377	1,655	Finance costs	1,346	1,554
452	315	Internal charges and overheads applied	511	623
0	0	Other operating funding applications	0	0
4,158	4,417	Total applications of operating funding (B)	4,490	4,605
943	497	Surplus (deficit) of operating funding (A-B)	686	893
SOURCES OF CAPITAL FUNDING				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
443	886	Increase (decrease) in debt	400	1,602
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
443	886	Total sources of capital funding (C)	400	1,602
APPLICATIONS OF CAPITAL FUNDING				
170	401	- To meet additional demand	46	143
246	94	- To improve the level of service	231	317
964	1,196	- To replace existing assets	1,350	2,323
7	(308)	Increase (decrease) in reserves	(541)	(289)
0	0	Increase (decrease) in investments	0	0
1,386	1,383	Total applications of capital funding (D)	1,086	2,495
(943)	(497)	Surplus (deficit) of capital funding (C - D)	(686)	(893)
0	0	Funding Balance ((A - B) + (C - D))	0	0
1,327	1,762	Excludes depreciation of:	1,360	1,355

The above Statement includes interest of \$240,497, a new loan of \$1,634,252 and loan repayments of \$295,846 on internal borrowings. The outstanding balance of the internal loan is \$4,500,923.

FUNDING IMPACT STATEMENTS

TE TAUĀKI PŪTEA WHAKAPĀNGA

SOUTH TARANAKI DISTRICT COUNCIL

FUNDING IMPACT STATEMENT - SOLID WASTE

TE TUKUHANGA O NGĀ PARAPARA

as at 30 June 2019

Actual 2018 (\$,000)	2015-25 LTP 2018 (\$,000)		Actual 2019 (\$,000)	2018-28 LTP 2019 (\$,000)
SOURCES OF OPERATING FUNDING				
823	898	General rates, uniform annual general charges, rates penalties	729	729
2,033	2,076	Targeted Rates	1,918	1,909
0	0	Subsidies and grants for operating purposes	0	0
646	744	Fees and charges	906	729
0	0	Internal charge and overheads recovered	0	0
4,466	766	Local authorities fuel tax, fines, infringement fees and other receipts	676	671
7,968	4,484	Total operating funding (A)	4,230	4,037
APPLICATIONS OF OPERATING FUNDING				
4,249	3,273	Payments to staff and suppliers	3,283	2,959
277	361	Finance costs	287	273
463	391	Internal charges and overheads applied	499	523
0	0	Other operating funding applications	0	0
4,990	4,024	Total applications of operating funding (B)	4,069	3,755
2,978	459	Surplus (deficit) of operating funding (A-B)	162	283
SOURCES OF CAPITAL FUNDING				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
1,218	(145)	Increase (decrease) in debt	(172)	(136)
904	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
2,122	(145)	Total sources of capital funding (C)	(172)	(136)
APPLICATIONS OF CAPITAL FUNDING				
0	0	- To meet additional demand	0	0
0	0	- To improve the level of service	20	31
35	20	- To replace existing assets	4	51
5,065	294	Increase (decrease) in reserves	(34)	65
0	0	Increase (decrease) in investments	0	0
5,100	315	Total applications of capital funding (D)	(10)	147
(2,978)	(459)	Surplus (deficit) of capital funding (C - D)	(162)	(283)
0	0	Funding Balance ((A - B) + (C - D))	0	0
44	41	Excludes depreciation of:	50	45

The above Statement includes interest of \$68,805 and loan repayments of \$114,016 on internal borrowings. The outstanding balance of the internal loan is \$897,708.

SOUTH TARANAKI DISTRICT COUNCIL

FUNDING IMPACT STATEMENT - ROADING AND FOOTPATHS

(INCLUDES ROAD SAFETY & PATHWAYS)

NGĀ HUARAHI ARA RAU as at 30 June 2019

Actual 2018 (\$,000)	2015-25 LTP 2018 (\$,000)		Actual 2019 (\$,000)	2018-28 LTP 2019 (\$,000)
SOURCES OF OPERATING FUNDING				
49	37	General rates, uniform annual general charges, rates penalties	46	43
6,727	6,622	Targeted Rates	6,671	6,649
6,172	4,233	Subsidies and grants for operating purposes	6,110	4,457
71	125	Fees and charges	144	108
0	0	Internal charge and overheads recovered	0	0
1,839	1,222	Local authorities fuel tax, fines, infringement fees and other receipts	1,600	1,675
14,857	12,239	Total operating funding (A)	14,571	12,932
APPLICATIONS OF OPERATING FUNDING				
10,984	7,837	Payments to staff and suppliers	9,365	8,699
285	227	Finance costs	265	278
279	226	Internal charges and overheads applied	317	300
0	0	Other operating funding applications	0	0
11,548	8,291	Total applications of operating funding (B)	9,947	9,277
3,310	3,948	Surplus (deficit) of operating funding (A-B)	4,624	3,655
SOURCES OF CAPITAL FUNDING				
5,092	4,010	Subsidies and grants for capital expenditure	3,327	3,926
0	0	Development and financial contributions	0	0
(124)	(124)	Increase (decrease) in debt	(166)	(70)
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
4,968	3,886	Total sources of capital funding (C)	3,161	3,856
APPLICATIONS OF CAPITAL FUNDING				
0	0	- To meet additional demand	0	0
2,197	1,257	- To improve the level of service	1,910	1,204
6,410	6,578	- To replace existing assets	4,774	6,424
(330)	(1)	Increase (decrease) in reserves	1,101	(117)
0	0	Increase (decrease) in investments	0	0
8,277	7,834	Total applications of capital funding (D)	7,785	7,512
(3,310)	(3,948)	Surplus (deficit) of capital funding (C - D)	(4,624)	(3,655)
0	(0)	Funding Balance ((A - B) + (C - D))	0	0
6,470	5,944	Excludes depreciation of:	6,726	6,515

The above Statement includes interest of \$147,060 and loan repayments of \$103,137 on internal borrowings. The outstanding balance of the internal loan is \$2,412,645.

FUNDING IMPACT STATEMENTS

TE TAUĀKI PŪTEA WHAKAPĀNGA

SOUTH TARANAKI DISTRICT COUNCIL FUNDING IMPACT STATEMENT - COMMUNITY FACILITIES

NGĀ WHARE-Ā-HAPORI as at 30 June 2019

Actual 2018 (\$,000)	2015-25 LTP 2018 (\$,000)		Actual 2019 (\$,000)	2018-28 LTP 2019 (\$,000)
SOURCES OF OPERATING FUNDING				
4,864	5,148	General rates, uniform annual general charges, rates penalties	5,237	5,233
0	0	Targeted Rates	0	0
30	21	Subsidies and grants for operating purposes	84	23
1,976	1,842	Fees and charges	2,141	1,956
0	0	Internal charge and overheads recovered	4	0
3,007	3,021	Local authorities fuel tax, fines, infringement fees and other receipts	3,114	3,102
9,877	10,032	Total operating funding (A)	10,580	10,313
APPLICATIONS OF OPERATING FUNDING				
5,403	5,604	Payments to staff and suppliers	5,264	5,894
1,457	1,674	Finance costs	1,396	1,578
1,106	1,341	Internal charges and overheads applied	1,142	1,195
89	50	Other operating funding applications	40	0
8,056	8,669	Total applications of operating funding (B)	7,842	8,667
1,822	1,363	Surplus (deficit) of operating funding (A-B)	2,738	1,647
SOURCES OF CAPITAL FUNDING				
3	0	Subsidies and grants for capital expenditure	0	125
0	0	Development and financial contributions	0	0
690	165	Increase (decrease) in debt	56	464
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	34	43
0	0	Other dedicated capital funding	0	0
693	165	Total sources of capital funding (C)	90	632
APPLICATIONS OF CAPITAL FUNDING				
0	0	- To meet additional demand	0	0
588	573	- To improve the level of service	635	929
1,632	871	- To replace existing assets	802	1,200
292	81	Increase (decrease) in reserves	1,391	150
0	0	Increase (decrease) in investments	0	0
2,513	1,526	Total applications of capital funding (D)	2,828	2,279
(1,820)	(1,362)	Surplus (deficit) of capital funding (C - D)	(2,738)	(1,647)
2	0	Funding Balance ((A - B) + (C - D))	0	0
2,659	2,147	Excludes depreciation of:	2,737	2,840

The above Statement includes interest of \$98,138 and loan repayments of \$42,448 on internal borrowings. The outstanding balance of the internal loan is \$411,256.

Note: In the 2015-25 LTP, this activity group was known as Recreation and Leisure. The Cemeteries activity used to fall under the Cultural Services activity group but now falls under this new title. The Pensioner Housing activity used to fall under Community and Social Development but now falls under this new title as well.

SOUTH TARANAKI DISTRICT COUNCIL FUNDING IMPACT STATEMENT - ARTS & CULTURE

NGĀ MAHI Ā-TOI ME RĒHIA as at 30 June 2019

Actual 2018 (\$,000)	2015-25 LTP 2018 (\$,000)		Actual 2019 (\$,000)	2018-28 LTP 2019 (\$,000)
SOURCES OF OPERATING FUNDING				
2,349	2,582	General rates, uniform annual general charges, rates penalties	2,411	2,409
0	0	Targeted Rates	0	0
40	13	Subsidies and grants for operating purposes	40	41
97	32	Fees and charges	92	38
0	0	Internal charge and overheads recovered	0	0
482	626	Local authorities fuel tax, fines, infringement fees and other receipts	481	535
2,968	3,253	Total operating funding (A)	3,024	3,023
APPLICATIONS OF OPERATING FUNDING				
1,855	2,021	Payments to staff and suppliers	1,946	1,848
31	19	Finance costs	39	47
794	764	Internal charges and overheads applied	803	795
0	0	Other operating funding applications	0	0
2,680	2,803	Total applications of operating funding (B)	2,788	2,690
288	450	Surplus (deficit) of operating funding (A-B)	236	332
SOURCES OF CAPITAL FUNDING				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
(32)	(141)	Increase (decrease) in debt	407	266
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
(32)	(141)	Total sources of capital funding (C)	407	266
APPLICATIONS OF CAPITAL FUNDING				
0	0	- To meet additional demand	0	0
0	247	- To improve the level of service	0	0
236	29	- To replace existing assets	710	572
20	34	Increase (decrease) in reserves	(67)	26
0	0	Increase (decrease) in investments	0	0
256	311	Total applications of capital funding (D)	643	598
(288)	(450)	Surplus (deficit) of capital funding (C - D)	(236)	(332)
0	0	Funding Balance ((A - B) + (C - D))	0	0
459	450	Excludes depreciation of:	466	455

The above Statement includes interest of \$17,184 and loan repayments of \$29,334 on internal borrowings. The outstanding balance of the internal loan is \$264,003.

Note: In the 2015-25 LTP, this activity group was known as Cultural Services. The Cemeteries activity used to fall under this title but now falls under Community Facilities.

FUNDING IMPACT STATEMENTS

TE TAUĀKI PŪTEA WHAKAPĀNGA

SOUTH TARANAKI DISTRICT COUNCIL FUNDING IMPACT STATEMENT - DISTRICT ECONOMY

WHAKATIPURANGA O TE ROHE as at 30 June 2019

Actual 2018 (\$,000)	2015-25 LTP 2018 (\$,000)		Actual 2019 (\$,000)	2018-28 LTP 2019 (\$,000)
SOURCES OF OPERATING FUNDING				
844	861	General rates, uniform annual general charges, rates penalties	820	820
160	166	Targeted Rates	165	164
14	0	Subsidies and grants for operating purposes	56	63
190	113	Fees and charges	150	168
0	0	Internal charge and overheads recovered	43	0
377	1,001	Local authorities fuel tax, fines, infringement fees and other receipts	437	894
1,585	2,141	Total operating funding (A)	1,671	2,109
APPLICATIONS OF OPERATING FUNDING				
770	792	Payments to staff and suppliers	907	1,053
117	409	Finance costs	214	355
238	236	Internal charges and overheads applied	282	224
161	506	Other operating funding applications	168	284
1,286	1,943	Total applications of operating funding (B)	1,571	1,916
300	199	Surplus (deficit) of operating funding (A-B)	100	192
SOURCES OF CAPITAL FUNDING				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
411	2,699	Increase (decrease) in debt	1,325	389
0	0	Gross proceeds from sale of assets	0	0
0	800	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
411	3,499	Total sources of capital funding (C)	1,325	389
APPLICATIONS OF CAPITAL FUNDING				
0	0	- To meet additional demand	0	0
337	3,680	- To improve the level of service	1,352	500
0	17	- To replace existing assets	0	0
374	1	Increase (decrease) in reserves	73	81
0	0	Increase (decrease) in investments	0	0
710	3,698	Total applications of capital funding (D)	1,425	581
(300)	(199)	Surplus (deficit) of capital funding (C - D)	(100)	(192)
0	0	Funding Balance ((A - B) + (C - D))	0	0
27	291	Excludes depreciation of:	28	177

The above Statement includes interest of \$13,854 and loan repayments of \$4,342 on internal borrowings. The outstanding balance of the internal loan is \$43,420.

SOUTH TARANAKI DISTRICT COUNCIL FUNDING IMPACT STATEMENT - COMMUNITY DEVELOPMENT

WHAKAWHANAKE HAPORI as at 30 June 2019

Actual 2018 (\$,000)	2015-25 LTP 2018 (\$,000)		Actual 2019 (\$,000)	2018-28 LTP 2019 (\$,000)
SOURCES OF OPERATING FUNDING				
476	551	General rates, uniform annual general charges, rates penalties	873	872
0	0	Targeted Rates	0	0
0	0	Subsidies and grants for operating purposes	0	0
0	0	Fees and charges	0	0
0	0	Internal charge and overheads recovered	0	0
168	186	Local authorities fuel tax, fines, infringement fees and other receipts	250	245
644	737	Total operating funding (A)	1,123	1,117
APPLICATIONS OF OPERATING FUNDING				
234	420	Payments to staff and suppliers	257	361
67	69	Finance costs	65	64
249	231	Internal charges and overheads applied	253	208
0	0	Other operating funding applications	548	525
551	720	Total applications of operating funding (B)	1,123	1,158
93	16	Surplus (deficit) of operating funding (A-B)	0	(41)
SOURCES OF CAPITAL FUNDING				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
(1)	(16)	Increase (decrease) in debt	(24)	(22)
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	20	0
0	0	Other dedicated capital funding	0	0
(1)	(16)	Total sources of capital funding (C)	(5)	(22)
APPLICATIONS OF CAPITAL FUNDING				
0	0	- To meet additional demand	0	0
15	0	- To improve the level of service	13	0
0	0	- To replace existing assets	0	0
77	0	Increase (decrease) in reserves	(17)	(64)
0	0	Increase (decrease) in investments	0	0
92	0	Total applications of capital funding (D)	(4)	(64)
(93)	(16)	Surplus (deficit) of capital funding (C - D)	(0)	41
0	0	Funding Balance ((A - B) + (C - D))	0	0
2	1	Excludes depreciation of:	2	2

The above Statement includes interest of \$3,442 on internal borrowings.

Note: In the 2015-25 LTP, this activity group was known as Community and Social Development. The Pensioner Housing activity used to fall under this title but now falls under Community Facilities.

FUNDING IMPACT STATEMENTS

TE TAUĀKI PŪTEA WHAKAPĀNGA

SOUTH TARANAKI DISTRICT COUNCIL FUNDING IMPACT STATEMENT - ENVIRONMENTAL SUSTAINABILITY TOITŪ TE TAIAO as at 30 June 2019

Actual 2018 (\$,000)	2015-25 LTP 2018 (\$,000)		Actual 2019 (\$,000)	2018-28 LTP 2019 (\$,000)
SOURCES OF OPERATING FUNDING				
578	621	General rates, uniform annual general charges, rates penalties	632	632
0	0	Targeted Rates	0	0
0	0	Subsidies and grants for operating purposes	0	0
110	139	Fees and charges	128	162
0	0	Internal charge and overheads recovered	0	0
190	112	Local authorities fuel tax, fines, infringement fees and other receipts	148	222
879	872	Total operating funding (A)	908	1,016
APPLICATIONS OF OPERATING FUNDING				
1,231	553	Payments to staff and suppliers	816	635
0	0	Finance costs	0	0
268	251	Internal charges and overheads applied	253	281
0	0	Other operating funding applications	0	0
1,500	803	Total applications of operating funding (B)	1,069	916
(621)	69	Surplus (deficit) of operating funding (A-B)	(162)	100
SOURCES OF CAPITAL FUNDING				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
0	0	Increase (decrease) in debt	0	0
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
0	0	Total sources of capital funding (C)	0	0
APPLICATIONS OF CAPITAL FUNDING				
0	0	- To meet additional demand	0	0
0	0	- To improve the level of service	0	0
0	0	- To replace existing assets	0	0
(621)	69	Increase (decrease) in reserves	(162)	100
0	0	Increase (decrease) in investments	0	0
(621)	69	Total applications of capital funding (D)	(162)	100
621	(69)	Surplus (deficit) of capital funding (C - D)	162	(100)
0	0	Funding Balance ((A - B) + (C - D))	0	0
1	0	Excludes depreciation of:	1	1

Note: Environmental Sustainability is a new activity group which includes Planning and Environmental Policy which used to fall under the Environmental and Development Group in the 2015-25 LTP.

SOUTH TARANAKI DISTRICT COUNCIL FUNDING IMPACT STATEMENT - REGULATORY SERVICES RATONGA WHAKATURE as at 30 June 2019

Actual 2018 (\$,000)	2015-25 LTP 2018 (\$,000)		Actual 2019 (\$,000)	2018-28 LTP 2019 (\$,000)
SOURCES OF OPERATING FUNDING				
700	882	General rates, uniform annual general charges, rates penalties	798	797
0	0	Targeted Rates	0	0
0	0	Subsidies and grants for operating purposes	0	0
1,422	1,685	Fees and charges	1,505	1,582
0	0	Internal charge and overheads recovered	0	0
148	256	Local authorities fuel tax, fines, infringement fees and other receipts	162	162
2,270	2,823	Total operating funding (A)	2,465	2,541
APPLICATIONS OF OPERATING FUNDING				
1,631	1,942	Payments to staff and suppliers	1,730	1,676
19	19	Finance costs	20	8
780	809	Internal charges and overheads applied	757	813
0	0	Other operating funding applications	0	0
2,430	2,769	Total applications of operating funding (B)	2,507	2,497
(160)	54	Surplus (deficit) of operating funding (A-B)	(43)	44
SOURCES OF CAPITAL FUNDING				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
(3)	32	Increase (decrease) in debt	(9)	(8)
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
(3)	32	Total sources of capital funding (C)	(9)	(8)
APPLICATIONS OF CAPITAL FUNDING				
0	0	- To meet additional demand	0	0
0	0	- To improve the level of service	0	0
17	38	- To replace existing assets	4	6
(180)	47	Increase (decrease) in reserves	(55)	30
0	0	Increase (decrease) in investments	0	0
(163)	86	Total applications of capital funding (D)	(51)	36
160	(53)	Surplus (deficit) of capital funding (C - D)	43	(44)
0	1	Funding Balance ((A - B) + (C - D))	0	0
45	52	Excludes depreciation of:	62	56

The above Statement includes interest of \$351 on internal borrowings.

Note: Regulatory Services is a new activity group which includes Building Control, Environmental Health, Licensing, Noise Control, Animal Services, Regulation Monitoring, Parking Control and Civil Defence & Emergency Management activities. These activities used to fall under the Environmental and Development Group in the 2015-25 LTP.

FUNDING IMPACT STATEMENTS

TE TAUĀKI PŪTEA WHAKAPĀNGA

SOUTH TARANAKI DISTRICT COUNCIL FUNDING IMPACT STATEMENT - COASTAL STRUCTURES

NGĀ MOMO HANGA KI TAI as at 30 June 2019

Actual 2018 (\$,000)	2015-25 LTP 2018 (\$,000)		Actual 2019 (\$,000)	2018-28 LTP 2019 (\$,000)
SOURCES OF OPERATING FUNDING				
79	101	General rates, uniform annual general charges, rates penalties	96	96
0	0	Targeted Rates	0	0
0	0	Subsidies and grants for operating purposes	0	0
0	0	Fees and charges	0	0
0	0	Internal charge and overheads recovered	0	0
0	0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
79	101	Total operating funding (A)	96	96
APPLICATIONS OF OPERATING FUNDING				
17	21	Payments to staff and suppliers	9	22
4	26	Finance costs	4	26
14	13	Internal charges and overheads applied	19	32
0	0	Other operating funding applications	0	0
35	60	Total applications of operating funding (B)	32	79
44	41	Surplus (deficit) of operating funding (A-B)	64	16
SOURCES OF CAPITAL FUNDING				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
(6)	68	Increase (decrease) in debt	9	124
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
(6)	68	Total sources of capital funding (C)	9	124
APPLICATIONS OF CAPITAL FUNDING				
0	0	- To meet additional demand	0	0
0	0	- To improve the level of service	0	154
9	108	- To replace existing assets	25	140
29	1	Increase (decrease) in reserves	47	(154)
0	0	Increase (decrease) in investments	0	0
38	109	Total applications of capital funding (D)	72	140
(44)	(41)	Surplus (deficit) of capital funding (C - D)	(64)	(16)
0	0	Funding Balance ((A - B) + (C - D))	0	0
273	266	Excludes depreciation of:	273	283

The above Statement includes interest of \$223 on internal borrowings.

SOUTH TARANAKI DISTRICT COUNCIL FUNDING IMPACT STATEMENT - CORPORATE ACTIVITIES (REALLOCATED ACTIVITY)

NGĀ MAHINGA MATAKITE Ā ROHE
as at 30 June 2019

Actual 2018 (\$,000)	2015-25 LTP 2018 (\$,000)		Actual 2019 (\$,000)	2018-28 LTP 2019 (\$,000)
SOURCES OF OPERATING FUNDING				
120	118	General rates, uniform annual general charges, rates penalties	195	168
165	86	Targeted Rates	217	209
0	0	Subsidies and grants for operating purposes	0	0
73	0	Fees and charges	78	81
11,751	10,863	Internal charge and overheads recovered	12,765	13,507
7,267	3,265	Local authorities fuel tax, fines, infringement fees and other receipts	4,866	2,928
19,376	14,332	Total operating funding (A)	18,121	16,893
APPLICATIONS OF OPERATING FUNDING				
11,703	8,559	Payments to staff and suppliers	10,411	10,505
355	499	Finance costs	342	399
2,650	2,532	Internal charges and overheads applied	2,819	3,218
0	0	Other operating funding applications	0	0
14,708	11,590	Total applications of operating funding (B)	13,572	14,121
4,669	2,742	Surplus (deficit) of operating funding (A-B)	4,549	2,771
SOURCES OF CAPITAL FUNDING				
0	0	Subsidies and grants for capital expenditure	0	0
33	0	Development and financial contributions	56	0
536	9	Increase (decrease) in debt	(281)	(377)
450	0	Gross proceeds from sale of assets	0	0
4	0	Lump sum contributions	453	0
0	0	Other dedicated capital funding	0	0
1,023	9	Total sources of capital funding (C)	228	(377)
APPLICATIONS OF CAPITAL FUNDING				
0	0	- To meet additional demand	0	0
470	345	- To improve the level of service	405	53
373	345	- To replace existing assets	436	246
4,849	2,062	Increase (decrease) in reserves	3,936	2,095
0	0	Increase (decrease) in investments	0	0
5,692	2,751	Total applications of capital funding (D)	4,777	2,394
(4,669)	(2,742)	Surplus (deficit) of capital funding (C - D)	(4,549)	(2,771)
0	0	Funding Balance ((A - B) + (C - D))	0	0
494	616	Excludes depreciation of:	545	566

The above Statement includes interest of \$45,445 and loan repayments of \$50,608 on internal borrowings. The outstanding balance of the internal loan is \$506,075.

Note: In the 2015-25 LTP, this activity group was known as Support Services.

FUNDING IMPACT STATEMENTS

TE TAUĀKI PŪTEA WHAKAPĀNGA

SOUTH TARANAKI DISTRICT COUNCIL

FUNDING IMPACT STATEMENT - WHOLE OF COUNCIL as at 30 June 2019

Actual 2018 (\$,000)	2015-25 LTP 2018 (\$,000)		Actual 2019 (\$,000)	2018-28 LTP 2019 (\$,000)
SOURCES OF OPERATING FUNDING				
14,190	14,253	General rates, uniform annual general charges, rates penalties	14,882	14,836
26,044	24,840	Targeted Rates	26,223	25,493
6,256	4,918	Subsidies and grants for operating purposes	6,291	4,584
5,385	5,488	Fees and charges	5,799	5,811
11,299	8,738	Interest and dividends from investments	9,464	8,436
6,439	2,177	Local authorities fuel tax, fines, infringement fees and other receipts	1,979	2,491
69,611	60,415	Total operating funding (A)**	64,638	61,651
APPLICATIONS OF OPERATING FUNDING				
41,707	37,882	Payments to staff and suppliers	39,169	38,496
5,556	6,905	Finance costs*	5,537	6,943
1,019	857	Other operating funding applications	756	809
48,283	45,644	Total applications of operating funding (B)**	45,462	46,249
21,328	14,771	Surplus (deficit) of operating funding (A-B)	19,176	15,403
SOURCES OF CAPITAL FUNDING				
5,095	3,940	Subsidies and grants for capital expenditure	3,327	4,051
33	0	Development and financial contributions	56	0
5,400	6,372	Increase (decrease) in debt**	(3,200)	5,948
1,354	0	Gross proceeds from sale of assets	0	0
71	37	Lump sum contributions	493	43
0	0	Other dedicated capital funding	0	0
11,953	10,348	Total sources of capital funding (C)	676	10,042
APPLICATIONS OF CAPITAL FUNDING				
624	126	- To meet additional demand	90	360
6,601	8,264	- To improve the level of service	6,093	6,490
12,237	12,390	- To replace existing assets	10,691	15,213
13,819	4,339	Increase (decrease) in reserves	2,978	3,381
0	0	Increase (decrease) in investments	0	0
33,281	25,119	Total applications of capital funding (D)	19,852	25,444
(21,328)	(14,771)	Surplus (deficit) of capital funding (C - D)	(19,176)	(15,403)
0	0	Funding Balance ((A - B) + (C - D))	0	0
16,784	17,130	Excludes depreciation of:	17,236	17,375

* The finance costs exclude interest of \$946,849 on internal borrowings.

** The increase/decrease in debt excludes a loan repayment of \$977,265 on internal borrowings. The outstanding balance of the internal loan is \$14,906,273.

***2018/19 Revenue and Expenditure amounts exclude internal charges of \$1.36 million such as Rates and Water by Meter (which the Council charges to itself).

SOUTH TARANAKI DISTRICT COUNCIL

FUNDING IMPACT STATEMENT - WHOLE OF COUNCIL as at 30 June 2019

	Actual 2019 (\$,000)	Actual 2018 (\$,000)
RECONCILIATION TO SURPLUS/(DEFICIT) BEFORE TAXATION		
Surplus (deficit) of operating funding (A-B)	19,176	21,328
Subsidies and grants for capital expenditure	3,327	5,095
Development and financial contributions	56	33
Loss on disposal of assets	(3,903)	(661)
Lump sum Contributions	493	71
Gain/(Loss) on derivatives	(5,121)	(1,041)
Depreciation	(17,236)	(16,784)
Surplus (Deficit) before taxation	(3,208)	8,042

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2019

The Statement of Financial Performance details the revenue and expenditure relating to all activities of the Council. The supporting operating statements for each significant activity provide further detail as to the costs and revenue of each activity.

Council 2018 \$,000	Consolidated 2018 \$,000		Note	Council 2019 \$,000	Budget 2019 \$,000	Consolidated 2019 \$,000
INCOME						
1						
40,079	40,079	Rates Income		40,909	40,329	40,909
23,279	23,279	Other Income		17,945	16,980	17,945
11,299	11,299	Financial Income		9,464	8,436	9,464
0	0	Other Gains		0	0	0
74,657	74,657	Total Income**		68,318	65,745	68,318
EXPENDITURE						
2						
3,394	3,394	Democracy and Leadership		3,031	2,950	3,031
3,139	3,139	Arts and Culture		3,233	3,121	3,233
10,211	10,211	Community Facilities		10,087	11,056	10,087
1,298	1,298	District Economy		1,535	2,085	1,535
546	546	Community Development		1,117	1,158	1,117
2,475	2,475	Regulatory Services		2,569	2,553	2,569
11,269	11,269	Water Supply Service		11,401	12,110	11,401
17,856	17,856	Roading and Footpaths		16,526	15,652	16,526
1,179	1,179	Stormwater		1,028	1,135	1,028
5,091	5,091	Waste Water		5,464	5,653	5,464
4,938	4,938	Solid Waste		4,034	3,729	4,034
308	308	Coastal Structure		306	362	306
1,500	1,500	Environmental Sustainability		1,070	917	1,070
3,411	3,411	Reallocated Activity*		10,125	1,141	10,125
66,615	66,615	Total Expenditure**		71,526	63,622	71,526
8,042	8,042	Surplus Operating (Deficit) before Tax		(3,208)	2,123	(3,208)
0	0	Taxation	3	0	0	0
8,042	8,042	Surplus Operating (Deficit) after Tax		(3,208)	2,123	(3,208)

Explanation of Net Surplus

The Council made a net operating deficit of \$3,208,000 against a budgeted surplus of \$2,123,000. An explanation of this variance is detailed in the financial commentary.

*Other expenses include loss on disposal of assets (\$3,903k) and loss on derivative contracts (\$5.12m).

**2018/19 Revenue and Expenditure amounts exclude internal charges of \$1.36 million such as Rates and Water by Meter (which the Council charges to itself).

The financial statements should be read in conjunction with the notes and policies and the financial commentary within this document.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

Council 2018 \$,000	Consolidated Actual 2018 \$,000	Description	Note	Council Actual 2019 \$,000	Council Budget 2019 \$,000	Consolidated Actual 2019 \$,000
CURRENT ASSETS						
6,956	6,956	Cash and Cash Equivalents	4	10,567	5,688	10,567
11,037	11,037	Accounts Receivable	5	8,782	9,647	8,782
100,473	100,473	Current Portion of Investments	6	103,977	105,531	103,977
2,948	2,948	Prepayments		2,460	641	2,460
140	140	Stocks	7	157	168	157
121,554	121,554	Total Current Assets		125,943	121,676	125,943
Non-Current Assets						
34,783	34,783	Investments	6	31,780	34,276	31,780
833,831	833,831	Property, Plant and Equipment	8	829,934	853,939	829,934
1,392	1,392	Intangible Assets	9	1,242	611	1,242
870,006	870,006	Total Non-Current Assets		862,956	888,825	862,956
991,560	991,560	Total Assets		988,899	1,010,502	988,899
CURRENT LIABILITIES						
8,847	8,847	Accounts Payable	10	7,699	9,841	7,699
775	775	Employee Entitlements	11	763	880	763
754	754	Income Received in Advance		758	1,066	758
213	213	Derivative Financial Instruments	23	102	20	102
20,098	20,098	Current Portion of Term Liabilities	13	25,105	93	25,105
43	43	Current Landfill Aftercare Provision	12	45	32	45
30,730	30,730	Total Current Liabilities		34,472	11,932	34,472
Non-Current Liabilities						
98,126	98,126	Term Liabilities	13	89,820	136,820	89,820
8,638	8,638	Derivative Financial Instruments	23	13,870	7,961	13,870
314	314	Non-Current Landfill Aftercare Provision	12	352	207	352
107,078	107,078	Total Non-Current Liabilities		104,042	144,988	104,042
853,752	853,752	Total Assets Less Liabilities		850,384	853,582	850,384
415,549	415,549	Accumulated Balances	14	394,779	418,641	394,779
1,711	1,711	Restricted and Statutory Reserves	14	2,006	1,275	2,006
196	196	Investment Revaluation Reserves	14	36	120	36
7,373	7,373	Separate Operating Reserves	14	9,023	4,629	9,023
305	305	Capital Replacement Reserves	14	345	234	345
132,305	132,305	Council Created Reserves	14	147,882	132,369	147,882
296,313	296,313	Asset Revaluation Reserves	14	296,313	296,314	296,313
853,752	853,752	Total Equity		850,384	853,582	850,384

The Annual Report and associated Audit Report were considered and adopted at a meeting of the South Taranaki District Council on 9 October 2019.


ROSS DUNLOP
Mayor


WAID CROCKETT
Chief Executive

The financial statements should be read in conjunction with the notes and policies and the financial commentary within this document.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Budget 2019 \$,000	Consolidated 2019 \$,000
845,741	845,741	Opening Equity as at 1 July	853,752	851,459	853,752
8,042	8,042	Total comprehensive income	(3,208)	2,123	(3,208)
(31)	(31)	Total other comprehensive income	(160)	0	(160)
853,752	853,752	Balance at 30 June	850,384	853,582	850,384
		Total comprehensive income attributable to:			
8,011	8,011	South Taranaki District Council	(3,368)	2,123	(3,368)
8,011	8,011	Total comprehensive income	(3,368)	2,123	(3,368)

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2019

Council Actual 2018 \$,000	Consolidated Actual 2018 \$,000		Council Actual 2019 \$,000	Council Budget 2019 \$,000	Consolidated Actual 2019 \$,000
		REVENUE			
		REVENUE BY EXCHANGE TRANSACTIONS			
8,751	8,751	Rates - Water by Meter	8,654	8,634	8,654
11,299	11,299	Financial Revenue	9,464	8,436	9,464
		Revenue from Non-Exchange Transactions			
31,328	31,328	Rates	32,255	31,695	32,255
5,482	5,482	Fees & Charges	5,799	5,811	5,799
11,422	11,422	Subsidies & Grants	10,112	8,678	10,112
33	33	Development and Financial Contributions	56	0	56
6,342	6,342	Other Revenue	1,979	2,491	1,979
74,657	74,657	Total Income*	68,318	65,745	68,318
		EXPENDITURE			
12,591	12,591	Personnel Costs	12,927	12,951	12,927
16,784	16,784	Depreciation & Amortisation Expense	17,236	17,375	17,236
5,556	5,556	Finance Costs	5,537	6,944	5,537
31,685	31,685	Other Expenses	35,826	26,352	35,826
66,615	66,615	Total Expenditure*	71,526	63,622	71,526
8,042	8,042	Surplus/(Deficit) Before Tax	(3,208)	2,123	(3,208)
0	0	Tax	0	0	0
8,042	8,042	Surplus/(Deficit) After Tax	(3,208)	2,123	(3,208)
(31)	(31)	Increase/Decrease in Revaluation Reserves	(160)	0	(160)
0	0	Gain on Asset Revaluation	0	0	0
8,011	8,011	Total Comprehensive Revenue and Expense for the Year	(3,368)	2,123	(3,368)

The financial statements should be read in conjunction with the notes and policies and the financial commentary within this document.

*2018/19 Revenue and Expenditure amounts exclude internal charges of \$1.36 million such as Rates and Water by Meter (which the Council charges to itself).

STATEMENT OF CASHFLOW

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2019

Council 2018 \$,000	Consolidated 2018 \$,000		Note	Council 2019 \$,000	Budget 2019 \$,000	Consolidated 2019 \$,000
CASH FLOWS FROM OPERATING ACTIVITIES						
CASH WAS PROVIDED FROM:						
39,785	39,785	Rates		42,170	40,452	42,170
36	36	Dividends		7	30	7
92	92	Interest on Investments		98	2,103	98
41,009	41,009	Other Revenue		26,012	16,950	26,012
2,486	2,486	Regional Council Rates		2,395	2,200	2,395
Cash was applied to:						
(42,114)	(42,114)	Payments to Suppliers & Employees		(40,220)	(38,563)	(40,220)
(5,556)	(5,556)	Interest paid on Term Debt		(5,537)	(6,944)	(5,537)
(679)	(679)	Net GST paid to/from IRD		299	0	299
(2,486)	(2,486)	Rates paid to Regional Council		(2,395)	(2,200)	(2,395)
32,573	32,573	Net Cash from Operating Activities	15	22,829	14,029	22,829
CASH FLOWS FROM INVESTING ACTIVITIES						
CASH WAS PROVIDED FROM:						
1,354	1,354	Proceeds from Sale of Property, Plant and Equipment		69	0	69
13,006	13,006	Net cash inflow from investment		15,918	2,869	15,918
Cash was applied to:						
(27,624)	(27,624)	Net cash outflow to investments		(14,745)	0	(14,745)
0	0	Net cash outflow to short term investment		0	0	0
(2,400)	(2,400)	Miscellaneous – Prepayment for Landfill		0	0	0
(21,400)	(21,400)	Purchase of Property, Plant and Equipment		(17,161)	(22,063)	(17,161)
(37,064)	(37,064)	Net Cash from Investing Activities		(15,919)	(19,195)	(15,919)
Cash Flows from Financing Activities						
Cash was provided from:						
8,385	8,385	Loans Raised		4,756	9,407	4,756
Cash was applied to:						
(2,979)	(2,979)	Repayment of Debt		(8,055)	(3,456)	(8,055)
5,406	5,406	Net Cash from Financing Activities		(3,299)	5,948	(3,299)
915	915	Net Increase/(Decrease) In Cash Held		3,611	782	3,611
6,041	6,041	Total Cash Resources at 1 July		6,956	4,906	6,956
6,956	6,956	Total Cash Resources at 30 June		10,567	5,688	10,567
Made Up Of:						
6,956	6,956	Cash and Cash Equivalents		10,567	5,688	10,567

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The financial statements should be read in conjunction with the notes and policies and the financial commentary within this document.

Note 1: Revenue

For the year ended 30 June 2019

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Budget 2019 \$,000	Consolidated 2019 \$,000
RATES					
14,008	14,008	General Rates	14,703	14,671	14,703
6,603	6,603	Targeted - Rooding	6,548	6,511	6,548
4,097	4,097	Other Water Rates	4,212	4,669	4,212
8,751	8,751	Metered Water Rates	8,677	7,553	8,677
2,014	2,014	Targeted - Refuse	1,900	1,888	1,900
4,249	4,249	Targeted - Wastewater	4,501	4,497	4,501
165	165	Warmer Homes Scheme Rate	217	209	217
8	8	Eltham Drainage Board	8	8	8
155	155	Hāwera Business Rate	160	159	160
182	182	Rate Penalties	179	165	179
(153)	(153)	Remissions	(196)	(149)	(196)
40,079	40,079	Total Rates	40,909	40,180	40,909
5,481	5,481	Fees and Charges	5,799	5,811	5,799
FINANCIAL REVENUE					
36	36	Dividends - General	7	31	7
93	93	Interest - General	98	286	98
0	0	Dividends - Long Term Investment Fund	0	0	0
0	0	Earnings - Long Term Investment Fund	0	0	0
12,899	12,899	Capital Gains on Long Term Investment Fund	9,497	8,119	9,497
(1,729)	(1,729)	Foreign Exchange Gains (Losses) on LTIF	(138)	0	(138)
11,299	11,299	Total Financial Revenue	9,464	8,436	9,464
33	33	Developmental Contributions	56	0	56
11,422	11,422	Subsidies & Grants	10,112	8,678	10,112
6,342	6,342	Other Revenue	1,979	2,491	1,979
74,657	74,657	Total Revenue	68,318	65,596	68,318

NOTES TO FINANCIAL STATEMENTS

PITO KŌRERO KI TE TAUĀKI PŪTEA

Rates Remissions

Rates Remissions have been netted off rates revenue above.
Councils Rate Remission Policy provides for rates to be remitted for the following purposes:

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Budget 2019 \$,000	Consolidated 2019 \$,000
19	19	Rates on community halls	20		20
84	84	Rates for sporting, games, branches of the arts, community care and volunteer organisations	84		84
7	7	Rates on land protected for natural, historical or cultural conservation purposes	20		20
43	43	Uniform annual general charges on non-contiguous units owned by the same owner	46		46
0	0	Remissions of rates for miscellaneous purposes	3		3
0	0	Water by meter rates remissions	23		23
182	182	Rates Penalties*	212		212
335	335	Total Rates Remitted	408		408

* Rates penalty remissions include penalties remitted for those that have arranged to repay their outstanding rate debts through regular payments.

Note 2: Expenditure by Nature For the period ending June 2019

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Budget 2019 \$,000	Consolidated 2019 \$,000
12,665	12,665	Salary and Wages*	12,938	12,951	12,938
(74)	(74)	Increase/(decrease) in employee entitlements	(12)	0	(12)
12,591	12,591		12,927	12,951	12,927
OTHER OPERATING EXPENSES					
578	578	Remuneration to Elected Representatives**	604	585	604
130	130	Audit Fees for Annual Report	132	135	132
102	102	Audit Fees for Ten Year Plan	0	0	0
1,019	1,019	Grants	756	914	756
51	51	Impairment of receivables	29	0	29
16,784	16,784	Depreciation and amortisation expense	17,236	17,375	17,236
415	415	Fund Manager Fees	422	430	422
1,041	1,041	Loss on Derivatives	5,121	0	5,121
661	661	Loss on Disposal of Asset	3,903	0	3,903
29	29	Operating Lease payments	31	32	31
27,658	27,658	Other Operating Expenses***	24,828	24,255	24,826
48,468	48,468		53,062	43,727	53,062
FINANCE COSTS					
5,556	5,556	Interest Expense	5,537	6,944	5,537
5,556	5,556		5,537	6,944	5,537
66,615	66,615	Total Expenditure	71,526	63,622	71,526

*Salary and Wages include Council's contribution to Kiwisaver of \$306k (2018 \$299k).

**Remuneration paid to the Elected Representatives include payments to the Community Board Members.

*** This includes audit fees for The Audit of Debenture Trust Deed of \$4,650 (2018 \$4,500).

Note 3: Tax

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Budget 2019 \$,000	Consolidated 2019 \$,000
8,042	8,042	Net Surplus/(Deficit) before Taxation	(3,208)	2,123	(3,208)
2,252	2,252	Tax at 28%	(898)	594	(898)
Plus/ (Less) Tax Effect of:					
(2,252)	(2,252)	Non-taxable income/expenditure	898	(594)	898
0	0	Tax Loss not recognised	0	0	0
0	0	Share of Associates Retained Surplus	0	0	0
0	0	Tax Expense for the Year	0	0	0
COMPRISING:					
0	0	Current Tax	0	0	0
0	0	Deferred tax	0	0	0
0	0	Deferred tax	0	0	0

The Council has unrecognised tax losses of \$711,327 (2018 \$707,352) with a tax effect of \$199,712 at 28% (2018 \$198,059 at 28%) available to carry forward to future years.

The Group has unrecognised tax losses of \$2,531,663 (2018 \$2,527,688) with a tax effect of \$708,866 at 28% (2018 \$707,753 at 28%) available to carry forward to future years.

Note 4: Cash and Cash Equivalents

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
5	5	Cash at bank and on hand	5	5
8,923	8,923	Westpac Current Account	12,635	12,635
(1,977)	(1,977)	Transfer to Long Term Investment Fund	(2,074)	(2,074)
0	0	Term Deposits	0	0
6,955	6,955		10,567	10,567

The carrying value of cash at bank short-term deposits with maturity dates of three months or less approximates their fair value.

NOTES TO FINANCIAL STATEMENTS

PITO KŌRERO KI TE TAUĀKI PŪTEA

Note 5: Accounts Receivable

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
2,049	2,049	Accruals and Sundries	1,058	1,058
5,342	5,342	General Debtors (Incl. Water)	4,216	4,216
1,716	1,716	Rate Arrears	1,562	1,562
1,088	1,088	NZTA	1,344	1,344
1,105	1,105	Goods and Services Tax	894	894
(263)	(263)	Provision for Doubtful Debts	(292)	(292)
11,037	11,037		8,782	8,782

The above amount for accounts receivable includes exchange transactions of \$2.15m (2018 - \$2.47m) for water by meter charges and interest receivable.

Fair Value

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of debtors and other receivables approximate their fair value.

Impairment

The Council regularly reviews all debts to identify any areas of impairment, making provision as necessary. The Council utilises a number of options to assist slow-paying debtors to fulfil their obligations and debts are only written off when all avenues are exhausted.

The status of receivables as at 30 June 2018 and 2019 are detailed below:

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
8,348	8,348	Not past due	5,369	5,369
215	215	Past due 1-60 days	235	235
153	153	Past due 61 - 90 days	334	334
2,321	2,321	Past due > 90 days	2,844	2,844
11,037	11,037		8,782	8,782

Details of the Impairment Provision

The impairment provision has been calculated based on expected losses for the Council's pool of debtors.

Expected losses have been determined based on an analysis of the Council's losses in previous periods and the current provision has been estimated accordingly.

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
0	0	Individual Impairment	0	0
(263)	(263)	Collective Impairment	(292)	(292)
(263)	(263)	Total provision for Impairment	(292)	(292)

Movements in the provision for impairment of receivables are as follows:

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
(213)	(213)	At 1 July	(263)	(263)
(79)	(79)	(Addition)/Reduction in provisions made during the year	(70)	(70)
0	0	Provisions reversed during the year	0	0
29	29	Receivables written-off during the period	41	41
(263)	(263)	At 30 June	(292)	(292)

The Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

Note 6: Investments

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
FINANCIAL ASSETS CURRENT PORTION				
1,552	1,552	Bonds with Maturities of less than 1 year	2,206	2,206
9,348	9,348	Cash & cash equivalents	9,903	9,903
1,977	1,977	Cash Balance Transferred from Current/Call Account for LTIF	2,074	2,074
7,438	7,438	Property	7,261	7,261
6,838	6,838	Global Infrastructure	7,338	7,338
64,330	64,330	Equities	66,241	66,241
8,819	8,819	Hedge Fund	8,741	8,741
170	170	Warmer Home Scheme Loans & Nukumaru Loan	213	213
100,473	100,473	Total Current Portion	103,977	103,977
NON-CURRENT PORTION				
29,914	29,914	Bonds with Maturities of greater than 1 year	27,252	27,252
1,613	1,613	Cash & cash equivalents	1,176	1,176
1,241	1,241	Warmer Home Scheme Loans and Nukumaru Loan	1,362	1,362
2,015	2,015	Other Shares and Notes	1,990	1,990
34,783	34,783	Total Non-Current Portion	31,780	31,780
135,256	135,256	Total Financial Assts	135,757	135,757

Maturity of Financial Assets

The cash and cash equivalents portion of Council's investments are available immediately and represent funds held for liquidity or funds awaiting reinvestment in other asset classes. The carrying value approximates their fair value.

Property and equities are invested through units in investment funds and can be readily liquidated and are thus classified as current. These funds are invested for the longer term. The carrying value approximates their fair value and is determined as per current market rate.

Bonds with maturities of less than one year represent direct holdings of bonds which are to mature in this financial year and a portion of the global bond portfolio. The carrying value approximates their fair value and is determined as per current market rate.

NOTES TO FINANCIAL STATEMENTS

PITO KŌRERO KI TE TAUĀKI PŪTEA

LTIF ALLOCATION

The total Long Term Investment Fund sector allocation at 30 June 2019 was as follows:

2018		2019
14%	Trans-Tasman Equities	12%
25%	Global Equities	26%
5%	Global Listed Infrastructure	5%
9%	New Zealand Cash	9%
9%	New Zealand Fixed Interest	9%
6%	Hedge Funds	6%
20%	Foreign Fixed Interest*	21%
7%	Low Volatility	7%
5%	Property	5%
100%		100%

* Includes internal borrowing.

RECONCILIATION OF INVESTMENTS

2018		2019
125,069	Opening Balance	131,828
	Income	
0	Interest	0
0	Dividends	0
12,900	Realised and Unrealised Gains/(Losses)	9,498
(1,729)	Foreign Exchange Gains/(Losses)	(138)
	Less	
(4,006)	Subsidy Withdrawal	(4,075)
(420)	Management Fees	(422)
14	Other Transfers/adjustments	(4,500)
131,828	Closing Balance	132,191
3,427	Other Investments	3,565
135,256	Total Investments	135,757

*The net subsidy withdrawal amount is calculated using all LTIF subsidies \$5,783k (2018 \$5,803k) less internal interest received of \$731k (2018 \$819k) and loan repayments of \$977k (2018 \$977k) from Internal Borrowings to the LTIF.

Note 7: Stocks

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
		HELD FOR RESALE		
17	17	Information Centre Stock	19	19
9	9	Aquatic Centre Stock	7	7
6	6	New Zealand Post Stock	7	7
32	32		33	33
		HELD FOR BUSINESS CONTINGENCY		
108	108	Infrastructure Stock	124	124
140	140	Total Financial Assts	157	157

No stocks are pledged as security for liabilities (2018 \$nil). However, some stocks are subject to retention of title clause.

The carrying amount of stocks which are measured at current replacement costs as at 30 June 2019, amounted to \$nil (2018 \$nil).

NOTES TO FINANCIAL STATEMENTS

PITO KŌRERO KI TE TAUĀKI PŪTEA

There were no write-downs in value of any stocks held (2018 \$nil). Stocks held for resale turnover frequently while stocks held for business contingency are regularly assessed to ensure they are still fit and available for intended use should the need arise. Stocks are written down to fair value in the event of impairment.

Note 8: Property, Plant and Equipment

Council *	Cost/ Valuation 30/6/19 \$,000	Accumulated Depreciation 30/6/19 \$,000	Carrying Value 30/6/19 \$,000	Cost/ Valuation 30/6/18 \$,000	Accumulated Depreciation 30/6/18 \$,000	Carrying Value 30/6/18 \$,000
OPERATIONAL ASSETS						
Buildings	52,327	(4,259)	48,068	50,001	(2,149)	47,852
Land	9,733	0	9,733	9,733	0	9,733
Furniture & Fittings	1,104	(516)	588	1,100	(406)	694
Information Systems	2,590	(2,060)	530	2,162	(1,980)	182
Library Books	1,508	(790)	719	1,528	(788)	741
Office Equipment	292	(264)	29	341	(289)	53
Leased Office Equipment	323	(162)	161	323	(97)	226
Motor Vehicles	1,310	(404)	906	1,129	(324)	805
Plant & Equipment	2,295	(1,500)	795	2,085	(1,393)	692
Restricted Assets						
Parks & Recreation	14,082	(1,933)	12,149	13,695	(960)	12,735
Heritage & Cultural	1,547	(692)	855	1,547	(646)	901
Land	48,543	0	48,543	48,482	0	48,482
Work in Progress	3,920	0	3,920	6,326	0	6,326
Total Operational & Restricted Assets	139,578	(12,583)	126,995	138,451	(9,030)	129,421
INFRASTRUCTURAL ASSETS						
Land Under Roads	104,151	0	104,151	104,151	0	104,151
Network Assets						
Roading	388,681	(13,196)	375,485	382,294	(6,470)	375,825
Wastewater - treatment plants	18,794	(652)	18,142	18,061	(317)	17,745
Wastewater - other assets	42,703	(2,071)	40,632	41,807	(1,047)	40,760
Water - treatment plants	44,928	(4,185)	40,743	41,769	(2,021)	39,748
Water - other assets	101,597	(4,917)	96,680	98,881	(2,534)	96,347
Stormwater	22,905	(845)	22,060	22,890	(416)	22,475
Total Infrastructural & Network Assets	723,759	(25,866)	697,893	709,854	(12,803)	697,051
Work in progress	5,046	0	5,046	7,359	0	7,359
Total Fixed Assets	868,383	(38,449)	829,934	855,664	(21,833)	833,831

* Note: Consolidated figures same as for Council.

As per the most recent revaluations at 30 June 2017 by Beca Limited and Calibre Consulting, the replacement cost of the Council's network assets are as follows:

Water Supply – treatment plants and facilities	\$ 61.4m
Water Supply – other assets	\$193.1m
Wastewater – treatment plants and facilities	\$ 22.7m
Wastewater – other assets	\$ 85.3m
Stormwater	\$ 40.0m
Roading and Footpaths	\$546.8m

Movements 2019

	Carrying Value 1/7/18 \$,000	Additions \$,000	Disposal \$,000	Accumulated Depreciation on Disposal	Vested Assets	Other Adj \$,000	Depreciation \$,000	Carrying Value 30/6/19 \$,000
OPERATIONAL ASSETS								
Buildings	47,852	3,061	(730)	85	-	(5)	(2,195)	48,068
Land	9,733	-	-	-	-	-	-	9,733
Furniture & Fittings	694	4	-	-	-	-	(110)	588
Information Systems	182	428	-	-	-	-	(80)	530
Library Books	741	211	(231)	221	-	-	(223)	719
Office Equipment	53	-	(49)	48	-	-	(23)	29
Leased Office Equipment	226	-	-	-	-	-	(65)	161
Motor Vehicles	805	338	(157)	88	-	-	(168)	906
Plant & Equipment	692	210	-	-	-	-	(107)	795
Restricted Assets								
Parks & Recreation	12,735	387	-	-	-	-	(973)	12,149
Heritage & Cultural	901	-	-	-	-	-	(46)	855
Land	48,482	61	-	-	-	-	-	48,543
Work in Progress	6,326	-	-	-	-	(2,406)	-	3,920
Total Operational & Restricted Assets	129,420	4,700	(1,167)	442	0	(2,411)	(3,990)	126,995
INFRASTRUCTURAL ASSETS								
Land Under Roads	104,151	-	-	-	-	-	-	104,151
Network Assets								
Roading	375,825	6,386	-	-	-	-	(6,726)	375,485
Wastewater - treatment plants	17,745	739	(7)	-	-	-	(335)	18,142
Wastewater - other assets	40,760	999	(102)	-	-	-	(1,025)	40,632
Water - treatment plants	39,748	3,159	-	-	-	-	(2,165)	40,742
Water - other assets	96,347	3,474	(758)	-	-	-	(2,383)	96,680
Stormwater	22,475	-	(2)	-	-	18	(429)	22,060
Total Infrastructural & Network Assets	697,051	14,757	(869)	0	0	18	(13,063)	697,893
Work in progress	7,359	0	0	0	0	(2,313)	0	5,046
Total Fixed Assets	833,830	19,457	(2,036)	442	-	(4,706)	(17,053)	829,934

NOTES TO FINANCIAL STATEMENTS

PITO KŌRERO KI TE TAUĀKI PŪTEA

Work in Progress*

Property, plant and equipment in the course of construction by class of asset is detailed below.

	2019 \$,000	Council and Consolidated 2018 \$,000
Buildings	3,325	3,753
Land	9	7
Information Systems	122	258
Motor Vehicles	-	4
Plant & Equipment	177	140
Furniture & Fittings	56	23
Parks & Reserves	207	188
Stormwater	371	228
Solid Waste - Landfill	24	1,953
Water Supply	1,936	4,568
Wastewater	1,504	1,613
Roading	1,235	951
Total work in progress	8,966	13,685

Movements 2018

	Carrying Value 1/7/17 \$,000	Additions \$,000	Disposal \$,000	Accumulated Depreciation on Disposal	Vested Assets	Other Adj \$,000	Depreciation \$,000	Carrying Value 30/6/18 \$,000
OPERATIONAL ASSETS								
Buildings	47,953	2,049	-	-	-	-	(2,149)	47,852
Land	9,689	44	-	-	-	-	-	9,733
Furniture & Fittings	465	325	-	-	-	(7)	(90)	694
Information Systems	167	86	-	-	-	-	(71)	182
Library Books	744	212	(275)	238	-	-	(178)	741
Office Equipment	77	-	-	-	-	-	(24)	53
Leased Office Equipment	291	-	-	-	-	-	(65)	226
Motor Vehicles	775	308	(332)	199	-	-	(144)	808
Plant & Equipment	666	137	-	-	-	(6)	(106)	692
Restricted Assets								
Parks & Recreation	13,540	155	-	-	-	-	(960)	12,735
Heritage & Cultural	922	25	-	-	-	-	(45)	901
Land	48,955	-	(473)	-	-	-	-	48,482
Work in Progress	5,754	-	-	-	-	572	-	6,326
Total Operational & Restricted Assets	129,997	3,341	(1,080)	437	0	559	(3,832)	129,422

INFRASTRUCTURAL ASSETS

Land Under Roads	104,151	-	-	-	-	-	-	104,151
Network Assets								
Roading	373,197	9,070	(3)	-	32	-	(6,470)	375,825
Wastewater - treatment plants	17,919	105	-	-	-	38	(317)	17,745
Wastewater - other assets	41,026	1,001	(221)	-	-	-	(1,047)	40,760
Water - treatment plants	41,628	310	(168)	-	-	-	(2,021)	39,748
Water - other assets	96,774	2,328	(221)	-	-	-	(2,534)	96,347
Stormwater	22,903	-	(12)	-	-	-	(416)	22,475
Total Infrastructural & Network Assets	697,596	12,813	(624)	0	32	38	(12,803)	697,051
Work in progress	4,411	-	-	-	-	2,948	-	7,359
Total Fixed Assets	832,003	16,155	(1,705)	437	32	3,545	(16,635)	833,831

Note 9: Intangible Assets

	Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
ACQUIRED COMPUTER SOFTWARE BALANCE 1 JULY					
2,827	2,827	Cost	3,677	3,677	
(2,137)	(2,137)	Accumulated amortisation and impairment	(2,285)	(2,285)	
690	690	Carrying value 1 July	1,392	1,392	
CLOSING BALANCE					
850	850	Additions	172	172	
0	0	Disposals	(139)	(139)	
0	0	Other Adjustments	0	0	
(148)	(148)	Amortisation charge	(183)	(183)	
3,677	3,677	Cost	3,710	3,710	
(2,285)	(2,285)	Accumulated amortisation and impairment	(2,468)	(2,468)	
1,392	1,392	Carrying value 30 June	1,242	1,242	
FONTERRA OUTFALL - USE RIGHTS BALANCE 1 JULY					
1,320	1,320	Cost	0	0	
(1,320)	(1,320)	Accumulated amortisation and impairment	0	0	
0	0	Carrying value 1 July	0	0	
0	0	Additions	0	0	
0	0	Amortisation charge	0	0	
CLOSING BALANCE					
1,320	1,320	Cost	0	0	
(1,320)	(1,320)	Accumulated amortisation and impairment	0	0	
0	0	Carrying value 30 June	0	0	
1,392	1,392	Total Intangible Assets	1,242	1,242	

NOTES TO FINANCIAL STATEMENTS

PITO KŌRERO KI TE TAUĀKI PŪTEA

Note 10: Accounts Payable

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
5,752	5,752	Trade Liabilities	4,857	4,857
1,180	1,180	Accrued expenses and other payables	1,156	1,156
349	349	Accrued salaries and wages	346	346
1,565	1,565	Bonds and Deposits	1,340	1,340
8,845	8,845		7,699	7,699

The above amounts for accounts payable are all exchange transactions.

Trade liabilities are non-interest bearing and are generally settled within a 30-day term. Therefore, the carrying value of trade liabilities approximates their fair value. Accrued expenses and other payables are amounts due as of year-end but not yet invoiced. Bonds and Deposits are amounts which the Council holds on behalf of third parties through various negotiated agency agreements. Bonds are generally classified as refundable and deposits are generally classified as non-refundable.

Note 11: Employee Entitlements

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
737	737	Annual leave	721	721
38	38	Sick leave	42	42
775	775		763	763

Note 12: Landfill Aftercare

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
241	241	Open Balance	356	356
115	115	Provision reassessed	41	41
0	0	Unwinding of discount	0	0
356	356	Closing Balance	397	397
BEING:				
42	42	Current Portion	45	45
314	314	Term Portion	352	352
356	356		397	397

The South Taranaki District Council holds resource consents to operate landfills within the District. The Council has responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill sites after closure. There is an external liability where the landfill is not situated on Council-owned land.

There are closure and post-closure responsibilities such as the following:

Closure responsibilities:

- * final cover application and vegetation
- * incremental drainage control features
- * completing facilities for leachate collection and monitoring
- * completing facilities for water quality monitoring
- * completing facilities for monitoring and recovery of gas

Post-closure responsibilities:

- * treatment and monitoring of leachate
- * ground water and surface monitoring
- * gas monitoring and recovery
- * implementation of remedial measures such as needed for cover and control systems
- * ongoing site maintenance for drainage systems

The cash outflows for landfill post-closure are expected to occur over the next 9 years and are based on current costs.

The provision has been estimated taking into account existing technology and is discounted using a discount rate of 2.14%.

The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

All landfills are now closed.

NOTES TO FINANCIAL STATEMENTS

PITO KŌRERO KI TE TAUĀKI PŪTEA

Note 13: Term Liabilities

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
		<i>Financial Liabilities</i>		
0	0	Debt Securities - Commercial Paper	0	0
104,00	104,000	Debt Securities - Local Authority Stock	112,000	112,000
12,800	12,800	Bank Facilities - Line of Credit Facility	1,600	1,600
0	0	Water Consent	0	0
243	243	Finance Leases	181	181
1,182	1,182	Income in advance from MOE	1,144	1,144
118,224	118,224	Total Financial Liabilities	114,925	114,925
CURRENT LIABILITIES				
0	0	Debt Securities - Commercial Paper	0	0
20,000	20,000	Debt Securities - Local Authority Stock	25,000	25,000
0	0	Bank Facilities - Line of Credit Facility	0	0
0	0	Water Consent	0	0
61	61	Finance Leases	67	67
38	38	Income in advance from MOE	38	38
20,098	20,098	Total Current Liabilities	25,105	25,105
NON-CURRENT LIABILITIES				
84,000	84,000	Debt Securities - Local Authority Stock	87,000	87,000
12,800	12,800	Bank Facilities - Line of Credit Facility	1,600	1,600
0	0	Water Consent	0	0
182	182	Finance Leases	114	114
1,144	1,144	Income in advance from MOE	1,106	1,106
98,126	98,126	Total Non-Current Liabilities	89,820	89,820

Secured Loans

The Council currently has \$30m (2018 \$30m) of committed lines of credit. The Council used \$1.6m as at balance date and a further \$28.4m (2018 \$17.2m) under lines of credit facilities available. The lines of credit are subject to daily floating interest rates.

Debt Securities – Local Authority Stock

The following is a summary of interest costs incurred in respect of Council's local authority stock, as well as a maturity analysis. Contractual maturity analysis of financial liabilities:

Reference Rate	Maturity	Amount \$,000
Floating BKBM FRA + 89.25bp	15/05/2021	5,000
Floating BKBM FRA + 65.25bp	15/05/2021	7,000
Floating BKBM FRA + 45bp	29/04/2020	10,000
Floating BKBM FRA + 74bp	15/04/2023	5,000
Floating BKBM FRA + 73.25bp	17/04/2023	5,000
Floating BKBM FRA + 53bp	22/04/2022	10,000
Floating BKBM FRA + 38bp	22/10/2019	5,000
Floating BKBM FRA + 38.5bp	15/04/2020	10,000
Floating BKBM FRA + 55.25bp	15/04/2027	5,000
Floating BKBM FRA + 64bp	28/06/2022	7,000
Floating BKBM FRA + 73bp	15/04/2025	10,000

Reference Rate	Maturity	Amount \$,000
Floating BKBM FRA + 81.7bp	15/04/2027	5,000
Floating BKBM FRA + 60.25bp	15/04/2024	5,000
Floating BKBM FRA + 69.5bp	15/04/2026	5,000
Floating BKBM FRA + 77bp	15/04/2028	5,000
Floating BKBM FRA + 80bp	15/04/2029	5,000
Floating BKBM FRA + 83.5bp	15/04/2030	4,000
Floating BKBM FRA + 86.25bp	15/04/2030	4,000
		112,000

Security

Finance Lease is secured by a charge over the specific asset being financed. Loans are secured by pledging targeted rates on various parts of the District or the District as a whole through a deed of charge.

In December 2007 Trustees Executors Ltd were appointed as Trustees of the Debenture Trust Deed. All of Council's secured loans including lines of credit are secured under the terms of the Debenture Trust Deed. Security is by charge over the Council's ability to levy rates in favour of the Trustee. Pursuant to the Debenture Trust Deed, Council has issued security certificates of \$80m to secure the various bank loans facilities, lines of credit, guarantees issued on behalf of Council and other general banking facilities. An additional \$9,760m of security certificates has been issued as part of the LGFA agreement to jointly secure debt issues with other shareholding councils.

Line of Credit expiration dates:

Council 2018 \$,000	Consolidated 2018 \$,000	Financial Institution - Expiry	Council 2019 \$,000	Consolidated 2019 \$,000
30,000	30,000	TSB - 20 July 2023	30,000	30,000
30,000	30,000		30,000	30,000

Interest Rate Swaps

The following is a summary of interest rate swaps as at the end of June 2019

Fixed Rate	Start Date	Maturity	Amount
4.80%	31/10/2011	29/10/2020	1,000,000
4.81%	15/04/2014	15/07/2023	4,000,000
4.70%	29/04/2014	29/01/2022	4,000,000
4.74%	15/04/2014	15/01/2023	4,000,000
4.30%	20/03/2014	20/12/2023	2,000,000
4.81%	22/08/2014	22/08/2020	5,000,000
5.55%	21/07/2014	21/10/2021	5,000,000
4.57%	15/06/2015	15/06/2024	4,000,000
4.40%	15/06/2015	15/09/2019	4,000,000
4.76%	22/12/2014	22/12/2022	2,000,000
4.79%	23/12/2014	23/06/2022	5,000,000
4.82%	15/12/2014	15/06/2024	4,000,000
4.82%	15/08/2016	15/08/2024	3,000,000
4.90%	29/04/2016	29/04/2024	4,000,000
5.19%	20/02/2015	20/08/2024	5,000,000
3.65%	23/10/2018	23/01/2025	4,000,000
3.96%	20/06/2019	20/09/2025	2,000,000

NOTES TO FINANCIAL STATEMENTS

PITO KŌRERO KI TE TAUĀKI PŪTEA

Fixed Rate	Start Date	Maturity	Amount
3.80%	20/10/2017	20/01/2028	2,000,000
3.05%	15/03/2019	15/03/2021	3,000,000
3.75%	21/10/2021	21/01/2028	5,000,000
4.21%	20/07/2016	23/10/2020	1,000,000
3.34%	21/10/2021	21/04/2026	5,000,000
4.17%	15/08/2016	15/02/2020	2,000,000
3.80%	29/10/2011	30/07/2019	3,000,000
3.65%	31/10/2011	30/07/2019	1,000,000
4.41%	20/02/2017	20/08/2021	5,000,000
4.14%	20/04/2017	25/10/2022	4,000,000
3.48%	15/03/2017	17/09/2019	3,000,000
4.45%	22/05/2017	22/11/2021	1,000,000
4.20%	22/12/2022	22/12/2026	2,000,000
4.20%	15/01/2023	15/01/2027	4,000,000
4.18%	25/10/2022	25/10/2026	4,000,000
3.46%	17/09/2019	17/09/2021	4,000,000
3.41%	22/02/2019	22/02/2022	3,000,000
3.81%	23/10/2020	23/01/2029	1,000,000
3.81%	29/10/2020	23/01/2029	1,000,000
3.99%	17/07/2023	15/01/2029	4,000,000
3.98%	29/04/2024	29/01/2029	4,000,000
3.95%	15/06/2024	15/03/2029	4,000,000
3.89%	15/06/2024	15/06/2029	4,000,000
2.79%	23/10/2018	25/10/2022	2,000,000
2.75%	30/07/2019	31/01/2023	4,000,000
4.44%	20/08/2018	20/11/2029	4,000,000
1.93%	15/04/2019	15/01/2024	1,000,000
1.96%	22/08/2020	22/02/2024	5,000,000
4.04%	20/06/2019	21/09/2020	4,000,000
			152,000,000

Marked to Market Valuation of Interest Rate Swaps

The fair value (marked to market valuation) of interest rate swaps as at the balance date was -\$13,971,729.21 (2018 -\$8,850,340.00).

Finance Leases

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
		TOTAL MINIMUM LEASE PAYMENTS PAYABLE		
82	82	Not later than one year	82	82
206	206	Later than one year and not later than five years	123	123
0	0	Later than five years	0	0
288	288	Total minimum lease payments	206	206
(46)	(46)	Future finance charges	(24)	(24)
243	243	Present value of minimum lease payments	181	181
		PRESENT VALUE OF MINIMUM LEASE PAYMENTS PAYABLE		
61	61	Not later than one year	67	67
182	182	Later than one year and not later than five years	114	114
0	0	Later than five years	0	0
243	243	Total present value of minimum lease payments	181	181
		REPRESENTED BY:		
61	61	Current	67	67
182	182	Non-Current	114	114
243	243	Total finance leases	181	181

The Council has entered into a finance lease for office equipment. The net carrying amount of the leased item is shown in Note 8. There are no restrictions as a result of lease arrangements.

Income in Advance – Ministry of Education

The Ministry of Education have contributed \$1.5 million for the use of TSB Hub for the Hāwera High School for the 40 year period of which 31 years remain. The current portion represents the amount of the contribution will be recognised as revenue over the next 12 months.

Other Borrowings

As at 30 June 2019, the Council had internally borrowed \$14,906,274 (2018 \$11,383,538) from its Special Fund Investments held with the Fund Managers.

NOTES TO FINANCIAL STATEMENTS

PITO KŌRERO KI TE TAUĀKI PŪTEA

Note 14: Equity

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
PUBLIC EQUITY				
415,549	415,549	Accumulated Balances	394,779	394,779
1,711	1,711	Restricted and Statutory Reserves	2,006	2,006
196	196	Investment Revaluation Reserves	36	36
296,313	296,313	Asset Revaluation Reserves	296,313	296,313
7,373	7,373	Separate Operating Reserves	9,023	9,023
132,305	132,305	Council Created Reserves	147,882	147,882
305	305	Capital Replacement Reserves	345	345
853,752	853,752	Total Closing Public Equity	850,384	850,384
ACCUMULATED BALANCES				
415,925	415,925	Opening Balance 1 July	415,549	415,549
8,042	8,042	Net Surplus (Deficit)	(3,208)	(3,208)
0	0	Adjustment	0	0
LESS APPROPRIATION TO				
(68)	(68)	Restricted Reserves	(290)	(290)
0	0	Statutory Reserves	(5)	(5)
(1,700)	(1,700)	Separate Operating Reserves	(1,650)	(1,650)
(6,783)	(6,783)	Council Created Reserves	(15,577)	(15,577)
(109)	(109)	Capital Replacement Reserves	(40)	(40)
FUNDS APPLIED FROM				
0	0	Restricted Reserves	0	0
241	241	Statutory Reserves	0	0
0	0	Separate Operating Reserves	0	0
0	0	Council Created Reserves	0	0
0	0	Capital Replacement Reserves	0	0
415,549	415,549	Closing Balance 30 June	394,779	394,779
RESTRICTED RESERVES				
791	791	Opening Balance 1 July	858	858
161	161	Add Appropriation	357	357
(94)	(94)	Less Application of Funds	(67)	(67)
858	858	Closing Balance 30 June	1,148	1,148
STATUTORY RESERVES				
1,097	1,097	Opening Balance 1 July	854	854
59	59	Add Appropriation	80	80
(302)	(302)	Less Application of Funds	(76)	(76)
854	854	Closing Balance 30 June	858	858
1,711	1,711	Total Closing Restricted and Statutory Reserves	2,006	2,006

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
INVESTMENT REVALUATION RESERVES				
227	227	Opening Balance 1 July	196	196
0	0	Gain/(Loss) on Long Term Investment Fund	0	0
(31)	(31)	Gain/(Loss) on Shares and Notes	(160)	(160)
0	0	Less Revaluation Attributed to Assets Sold	0	0
196	196	Closing Balance 30 June	36	36
BEING:				
0	0	Long Term Investment Fund	0	0
196	196	Shares and Notes	36	36
0	0	Transfers from Accumulated Balances	0	0
196	196		36	36
ASSET REVALUATION RESERVES				
296,313	296,313	Opening Balance 1 July	296,313	296,313
0	0	Revaluation of Infrastructural Assets	0	0
0	0	Revaluation of Operational Assets	0	0
0	0	Revaluation of Restricted Land	0	0
0	0	Revaluation of Operational Land	0	0
0	0	Less Revaluation Attributed to Assets Sold	0	0
296,313	296,313	Closing Balance 30 June	296,313	296,313
BEING:				
254,725	254,725	Infrastructural Assets	254,725	254,725
23,732	23,732	Operational Assets	23,732	23,732
12,978	12,978	Restricted Land	12,978	12,978
4,879	4,879	Operational Land	4,879	4,879
296,313	296,313		296,313	296,313
SEPARATE OPERATING RESERVES				
5,673	5,673	Opening Balance 1 July	7,373	7,373
19,905	19,905	Add Appropriation	17,394	17,394
(18,205)	(18,205)	Less Application of Funds	(15,744)	(15,744)
7,373	7,373	Closing Balance 30 June	9,023	9,023
COUNCIL CREATED RESERVES				
125,522	125,522	Opening Balance 1 July	132,305	132,305
12,998	12,998	Add Appropriation	26,425	26,425
(6,215)	(6,215)	Less Application of Funds	(10,848)	(10,848)
132,305	132,305	Closing Balance 30 June	147,882	147,882
CAPITAL REPLACEMENT RESERVES				
196	196	Opening Balance 1 July	305	305
6,855	6,855	Add Appropriation	6,637	6,637
(6,746)	(6,746)	Less Application of Funds	(6,597)	(6,597)
305	305	Closing Balance 30 June	345	345

NOTES TO FINANCIAL STATEMENTS

PITO KŌRERO KI TE TAUĀKI PŪTEA

Separate Operating Reserves

Name	Activity to which the reserve relates	Balance 1 July 2018 \$,000	Transfers into fund \$,000	Transfers out of fund \$,000	Balance 30 June 2019 \$,000
Roading	Roading and Footpaths	1,066	8,341	(7,236)	2,172
Regional Road Safety	Roading and Footpaths	21	10	(3)	28
Water Supply Urban	Water Supply Services	1,002	3,460	(2,978)	1,484
Waste Water	Waste Water	768	2,400	(2,941)	226
Water Supply Inaha	Water Supply Services	579	363	(942)	0
Eltham Drainage	Stormwater	20	3	0	23
Water Supply Waimate West	Water Supply Services	2,706	2,606	(1,553)	3,759
Solid Waste Collection	Solid Waste	1,208	125	0	1,333
Nukumarū	Water Supply Services	(16)	86	(90)	(20)
Cold Creek	Water Supply Services	0	0	0	0
Hāwera Town Coordinator	District Economy	19	1	(1)	19
Total		7,373	17,394	(15,744)	9,023

Restricted Reserves

Name	Activity to which the reserve relates	Balance 1 July 2018 \$,000	Transfers into fund \$,000	Transfers out of fund \$,000	Balance 30 June 2019 \$,000
Eltham Property	Community Facilities	15	0	0	15
Hāwera Property	Community Facilities	0	0	0	0
Pool Plant	Community Facilities	34	1	0	35
Larcom Beq - Turuturu Mokai	Community Facilities	94	3	0	97
Pātea Property	Community Facilities	11	152	0	163
Wairoa Recreation Res	Community Facilities	454	53	0	507
Harbour Endowment	Community Facilities	145	126	(53)	218
Centennial Bursary	Community Development	67	3	(3)	67
Kaūpokonui Beach	Community Facilities	38	19	(11)	47
Total		858	357	(67)	1,149

Statutory Reserves

Name	Activity to which the reserve relates	Balance 1 July 2018 \$,000	Transfers into fund \$,000	Transfers out of fund \$,000	Balance 30 June 2019 \$,000
Eltham Reserve Contributions	Community Facilities	42	1	0	43
Hāwera Reserve Contributions	Community Facilities	0	56	0	56
Pātea Reserve Contributions	Community Facilities	0	0	0	0
District Reserve Contributions	Community Facilities	468	12	(72)	408
Waimate Development Levy	Democracy and Leadership	283	9	(4)	287
Waverley Reserve Contributions	Community Facilities	0	0	0	0
Ōpunakē Reserve Contributions	Community Facilities	22	1	0	23
Manaia Reserve Contributions	Community Facilities	41	1	0	42
Total		854	80	(76)	858

Council Created Reserves

Name	Activity to which the reserve relates	Balance 1 July 2018 \$,000	Transfers into fund \$,000	Transfers out of fund \$,000	Balance 30 June 2019 \$,000
Safer Communities	Community Development	15	0	(10)	5
Economic Development Fund	Community Facilities	178	0	(43)	135
Sale of Assets	All Activities	0	0	0	0
Forestry	Community Facilities	68	64	(7)	124
Ōkōtuku Domain	Community Facilities	17	5	(11)	11
Centennial Close 1% Contribution	Community Facilities	0	3	0	3
Long Term Investment Fund	All Activities	131,741	11,069	(10,620)	132,191
LTIF – Internally Invested	All Activities	0	14,906	0	14,906
Riparian/Indigenous	Environmental Sustainability	50	27	(25)	52
Urban Redevelopment	All Activities	1	0	0	1
Painting Reserve	All Activities	236	270	(132)	374
Tourism Reserves	District Economy	0	80	0	80
Total		132,305	26,425	(10,848)	147,882

NOTES TO FINANCIAL STATEMENTS

PITO KŌRERO KI TE TAUĀKI PŪTEA

Purpose for Each Reserve

Separate Operating Reserves

All Separate Operating Reserves
To keep surpluses/deficits in each activity separate from other activities.

Restricted Reserves

Eltham Property

To hold funds from property sold in the Eltham ward for funding of various projects in the Eltham ward.

Hāwera Property

To hold funds from property sold in the Hāwera ward for funding of various projects in the Hāwera ward.

Pool Plant

To provide funds for district pools.

Larcom Bequest - Turuturu Mokai

To manage a bequest from Samuel Larcom to be used on Hāwera district parks.

Pātea Property

To hold funds from property sold in the Pātea ward for funding of various projects in the Pātea ward.

Wairoa Recreation Reserve

To manage revenue from the leasing of Crown land which has been vested in the Council and fees/charges from the campground for capital works on the Wairoa Recreation Reserve.

Pātea Pools

To manage funds vested in the Council by the Pātea Community Development Trust for the Pātea pool upgrade.

Harbour Endowment

To manage lease income from land formerly owned by the Pātea Harbour Board to be used for the following; maintenance and improvement of endowment properties, maintenance and improvement of Harbour facilities, including harbour walls, and on recreational and cultural facilities with the Pātea ward.

Centennial Bursary

To provide grants of up to \$400 towards tertiary education for eligible applicants. Only interest income from the fund may be used.

Kaūpokonui Beach

To manage lease income from Crown land vested in the Council for capital works requested by the Kaūpokonui Beach Society.

Statutory Reserves

Eltham Reserve Contributions

To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Eltham ward.

Hāwera Reserve Contributions

To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Hāwera ward.

Pātea Reserve Contributions

To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Pātea area.

District Reserve Contributions

To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the District.

Waimate Development Levy

To hold funds derived from a levy on Kapuni Petrochemical Development for the funding of projects on public assets which are located on council owned property or reserves located within the boundaries of the old Waimate Plains County Council. The principle fund to remain at no less than \$260,000.00.

Waverley Reserve Contributions

To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Waverley area.

Ōpunakē Reserve Contributions

To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Ōpunakē area.

Manaia Reserve Contributions

To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Manaia area.

Council Created Reserves

Safer Communities

To manage the balance of funds from Safer Community grants to be used on youth programmes.

Economic Development Fund

The purpose of the reserve is to enable the Council to strategically intervene when required by practically supporting new business.

Sale of Assets

A fund for the replacement of assets with a similar purpose to the ones sold.

Forestry

To manage income and expenditure relating to the joint venture forestry investment.

Ōkōtuku Domain

To manage revenue from the leasing of Crown land which has been vested in the Council on behalf of the Ōkōtuku Domain Committee.

Centennial Close 1% Contribution

To manage the 1% contribution for the first 15 years from the deposit held for Centennial Close flats for the purpose of upgrading the units when they are vacated.

Long Term Investment Fund (LTIF)

To manage funds derived from the sale of the Council's shareholding in Egmont Electricity and to provide a rates subsidy.

LTIF – Internally Invested

Debt funding from LTIF.

Riparian/Indigenous

To fund Riparian planting throughout the District.

Urban Redevelopment

To fund various community projects throughout the District. Only Waverley has any allocation left.

Painting Reserve

To fund various painting projects.

Tourism Fund

To fund various tourism related projects.

Note 15: Reconciliation of Net Surplus to Cash Flow from Operating Activities

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
8,042	8,042	Reported Surplus (Deficit) after Taxation	(3,208)	(3,208)
		Add (Deduct) Non-Cash Items		
16,784	16,784	Depreciation and Amortisation	17,236	17,236
1,041	1,041	Movement in swaps revaluations	5,121	5,121
(32)	(32)	Vested assets	0	0
7,676	7,676	(Gain)/Loss in fair value of financial assets	(1,834)	(1,834)
661	661	(Gain)/Loss on Disposal of Property, Plant and Equipment	3,903	3,903
116	116	Movement in Landfill Aftercare Provision	41	41
0	0	Interest and gains direct to investment	0	0
34,288	34,288		21,259	21,259
		ADD (LESS) MOVEMENTS IN OTHER WORKING CAPITAL ITEMS:		
(1,817)	(1,817)	(Increase)/Decrease in Accounts Receivable	2,255	2,255
561	561	Increase/(Decrease) in Accounts Payable	(1,148)	(1,148)
49	49	Increase/(Decrease) in Employee Entitlements	(12)	(12)
(2)	(2)	(Increase)/Decrease in Inventory	(17)	(17)
(299)	(299)	Increase/(Decrease) Income Received in Advance	4	4
(207)	(207)	(Increase)/Decrease in Prepayments	488	488
32,573	32,573	Net Cash Inflow (Outflow) from Operating Activities	22,829	22,829

Note 16: Related Parties

There are no transactions entered into between South Taranaki District Council, its 100% owned subsidiary Novus Contracting Limited.

All transactions were conducted under normal commercial terms.

Councillors

During the year, the Council paid Beccard Motors \$25,746 (2018 \$32,808). Councillor A Beccard owns 50% of Beccard Motors.

During the year, the Council paid Hāwera High School \$5,196 (2018 \$18,290). Hāwera High School purchased goods and services off the Council of \$34,809 (2018 \$36,082). Councillor P Nixon was on the Board of Trustees.

During the year, the Council paid Cinema 2 Trust \$52,572.50 (2018 \$62,829). Hāwera Cinema 2 purchased goods and services off the Council of \$66,382.80 (2018 \$65,990). Councillor K Bourke is the Manager.

During the year, the Council paid Rangiwahia Architectural \$2,737 (2018 \$3,542). Councillor J Rangiwahia is the Director.

During the year, the Council paid The Friends of Hāwera Parks Inc \$1,065 (2018 nil). The Friends of Hāwera Parks Inc purchased goods and services off the Council of \$38 (2018 \$81). Councillor I Wards is a member.

NOTES TO FINANCIAL STATEMENTS

PITO KŌRERO KI TE TAUĀKI PŪTEA

Key Management Personnel	Council 2018	Council 2018	Council 2019	Council 2019
Salaries and other short-term benefits	1,123,112	1,123,112	987,666	987,666
Post-employment benefits	0	0	0	0
Other long-term benefits	0	0	0	0
Full-time equivalent members	5	5	4	4
Total key management personnel compensation	1,123,112	1,123,112	987,666	987,666

Key management personnel include the Chief Executive and three senior management personnel.

Apart from the normal customer relationships involving such items as the payments of rates and water charges, there were no other significant transactions between Senior Management, Councillors and the Council during the financial year.

During the year, the Council paid Sport Taranaki \$43,390 (2018, \$48,484). Sport Taranaki purchased goods and services off the Council of \$1,055 (2018 \$1,126). Phillippa Wilson is a Trustee.

Remuneration Paid - Elected Members		Council 2018	Council 2019
Dunlop R J	Mayor	100,907	106,638
Beccard A	Councillor	30,822	32,593
Bigham B	Councillor	31,295	32,065
Bourke K	Councillor	25,161	26,272
Brown G	Councillor	26,693	27,799
Coxhead C	Councillor	28,688	30,550
Lawson G	Councillor	28,402	29,772
Mackay S	Councillor	30,782	31,022
Nixon P	Councillor	34,674	35,521
Northcott R	Councillor	29,498	31,300
Rangiwahia J	Councillor	24,855	26,272
Roach B	Councillor	29,193	30,754
Wards I	Councillor	31,212	30,204
Total		452,182	470,761

Full-time equivalent Councillors	13	13
Car allowance for Ross Dunlop	4,035	4,035

Chief Executive (Salary plus Kiwisaver)	Council 2018	Council 2019
Craig Stevenson (01/07/17 - 20/10/17)	152,377	0
Fiona Greenhill - Acting (23/10/17 - 12/01/18)	70,657	0
Waid Crockett*	139,322	321,978
Total	362,356	321,978

* The Chief Executive salary for Waid Crockett for 2017/18 represents the period from 15/01/2018 to 30/06/2018.

Council employees	Council 2018
TOTAL ANNUAL REMUNERATION BY BAND FOR EMPLOYEES AS AT 30 JUNE:	
< \$60,000	132
\$60,000 - \$79,999	51
\$80,000 - \$99,999	19
\$100,000 - \$119,999	9
\$120,000 - \$139,999	6
\$140,000 - \$279,999	6
\$280,000 - \$299,999	1
Total	224

Council employees	Council 2019
TOTAL ANNUAL REMUNERATION BY BAND FOR EMPLOYEES AS AT 30 JUNE:	
< \$60,000	118
\$60,000 - \$79,999	57
\$80,000 - \$99,999	16
\$100,000 - \$119,999	11
\$120,000 - \$139,999	8
\$140,000 - \$219,999	6
\$220,000 - \$339,999	2
Total	218

At balance date, the Council employed 135 (2018 - 139) full-time employees, with the balance of staff representing 37 (2018 - 34) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

Note 17: Severance Payments:

For the year ended 30 June 2019, the Council made no payments (2018 \$Nil).

Note 18: Contingent Liabilities

The Council has provided guarantees to a few organisations. There is no indication that the organisations are unable to meet their obligations and therefore require the Council to contribute toward their loan. No provision for these has been made on the Balance Sheet.

Financial guarantees as at balance date:	Council 2018	Consolidated 2018	Council 2019	Consolidated 2019
Hāwera Cinema 2 Trust	30,000	30,000	30,000	30,000
	30,000	30,000	30,000	30,000

OTHER CONTINGENT LIABILITIES:

Estimate of legal financial settlements	0	0	0	0
Fluoride High Court Judicial Review	0	0	0	0
Easement Dispute	0	0	0	0
	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

PITO KŌRERO KI TE TAUĀKI PŪTEA

The Council's Liability Management Policy limits the total amount of financial guarantees to community and sporting organisations to \$500,000, with no one organisation having more than 10% (\$50,000) of the potential total guarantees given.

Easement Dispute

The Council currently have no easement issues with private land owners relating to a water pipeline.

Carter Holt Harvey's Third Party Claim

In April 2013, the Ministry of Education (MoE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the cladding sheets and cladding systems manufactured and prepared by CHH. Subsequently, in December 2016, CHH commenced third party proceedings against 48 councils, including the South Taranaki District Council alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates. The councils have applied for orders setting aside and striking out CHH's claims against them. The MoE's claim against CHH is for 833 school buildings, seven of which are located within the South Taranaki District. At present there is insufficient information to conclude on potential liability or claim quantum, if any.

Note 19: Commitments

Operating Leases

The Council leases office equipment and vehicles in the normal course of business. The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
11	11	Within 12 months	11	11
11	11	1 - 2 Years	4	4
4	4	2 - 5 Years	0	0
0	0	Over 5 Years	0	0
25	25		15	15

Capital Commitments

The Council has the following capital commitments as at balance date:

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
190	190	Roading and Footpaths	78	78
624	624	Community Facilities	187	187
1,003	1,003	Water	1,524	1,524
36	36	Wastewater	41	41
19	19	Stormwater	0	0
0	0	Solid Waste	0	0
879	879	District Economy	794	794
2,751	2,751		2,624	2,624

The above commitments represent expenditures on all contracts to which the Council is committed for at balance date for the future.

A breakdown of the commitments in terms of time periods is outlined below:

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
2,691	2,691	Within 12 months	2,624	2,624
0	0	1 - 2 Years	0	0
60	60	2 - 5 Years	0	0
0	0	Over 5 Years	0	0
2,751	2,751		2,624	2,624

Note 20: Capital Management

The Council's capital is its equity (or ratepayers' funds), which comprise accumulated balances and reserves. Equity is represented by net assets. (Total Assets less Total Liabilities).

The Local Government Act 2002 [the Act] requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing these items.

The objective of managing them is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, the Council has in place Asset Management Plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

The Council's Accounting Policies detail the various components of Public Equity held and Note 14 shows movements during the year.

NOTES TO FINANCIAL STATEMENTS

PITO KŌRERO KI TE TAUĀKI PŪTEA

Note 21: Significant Acquisitions

The Local Government Act requires the Council to report on significant acquisitions or replacement of assets. This Note only refers to acquisitions and replacements valued at \$500,000 or more.

During the year the following works were planned, undertaken or completed. Further information regarding these projects can be found within the relevant activity pages within this Annual Report.

Project #	Project	Activity	Actual	Budget	Comment on significant variances
13022	Hāwera Inflow and Infiltration	Wastewater	641,860	0	Project completed with carryover budget (\$700,000) from previous years.
15337 & 74005	Waverley WTP - Chlorination	Water	445,367	1,343,488	Work In progress. Construction completion in 19/20 year.
15901 to 15905, 15911 & 15914	Hāwera Town Centre Development	Economic Development	836,290	500,000	Budget under one project with separate projects created for specific expenditure, to enable ease of capitalisation when projects are completed. The actuals were partly funded from carry-forward budget from previous years.
70002,70004 to 70007	Renewals - Water Supply - Reticulation Urban	Water	895,946	1,024,000	The budget under one project with separate projects created for specific expenditure, to enable ease of project management.
76001 to 76004	Renewals - Water Supply - Reticulation Waimate West	Water	1,087,978	1,228,800	The budget is under one project with separate projects created for specific expenditure, to enable ease of project management.
80002 to 80007	Renewals - Wastewater Reticulation	Wastewater	138,338	1,150,566	Projects not completed due to other projects taking priority. The remaining budgets are carried-forward.
5212	Sealed Road Resurfacing	Roading	2,146,074	2,000,117	Work scope was reduced but bitumen inflation cost was higher than forecast. The project as completed with \$146k overspend.
5213	Drainage Renewals	Roading	601,835	621,216	Project is completed.
5214	Pavement Rehabilitation	Roading	1,668,443	2,264,382	Project is progressing, further work committed, the remaining budget will be carried-forward.
5215	Structures Component Replacement	Roading	142,685	705,955	Design work being done this year in preparation for construction next year.
5341	Minor Improvements	Roading	758,049	1,102,156	Some work completed, some work committed, the remaining budget will be carried-forward.
5225 & 6030	Footpath	Roading	494,393	571,118	Majority of the work is completed with the remaining budget to be carried forward.
Total			9,857,258	12,511,798	

Note 22: Financial Instruments

Council 2018 \$,000	Consolidated 2018 \$,000	Financial Assets Fair Value through Comprehensive Revenue and Expenses	Council 2019 \$,000	Consolidated 2019 \$,000
0	0	Derivative Financial Instrument Assets	0	0
131,828	131,828	Long Term Investment Fund	132,191	132,191
131,828	131,828	Total Fair Value through Comprehensive Revenue and Expenses	132,191	132,191
LOANS AND RECEIVABLES				
6,956	6,956	Cash and Cash Equivalents	10,567	10,567
0	0	Short Term Deposit	0	0
11,037	11,037	Accounts Receivable	8,782	8,782
992	992	LGFA FRNs	1,280	1,280
1,411	1,411	Warmer Home Scheme Loans & Nukumarua Loans	1,575	1,575
20,396	20,396	Total Loans and Receivables	22,205	22,205
FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSES				
549	549	Fonterra Shares	388	388
15	15	Ravensdown Shares	15	15
0	0	LIC Shares	0	0
100	100	LGFA Shares	100	100
207	207	The N.Z. Local Government Ins. Corporation Ltd.	207	207
153	153	Wanganui Forestry Committee	0	0
1,023	1,023	Total Fair Value through Other Comprehensive Revenue and Expenses	710	710
FINANCIAL LIABILITIES FAIR VALUE THROUGH COMPREHENSIVE REVENUE AND EXPENSES				
8,851	8,851	Derivative Financial Instrument Liabilities	13,972	13,972
8,851	8,851	Total Fair Value through Comprehensive Revenue and Expenses	13,972	13,972
FINANCIAL LIABILITIES AT AMORTISED COST				
8,847	8,847	Creditors and other payables	7,699	7,699
Borrowings				
12,800	12,800	Secured Loans	1,600	1,600
104,000	104,000	Debentures	112,000	112,000
125,643	125,643	Total Financial Liabilities and Amortised Costs	121,299	121,299

Liquidity Risk

Liquidity risk is the risk that the Council will not be able to raise funds to meet commitments as they fall due. Liquidity risk is managed by issuing debt when appropriate, use of uncommitted lines of credit facilities and the ability to liquidate investments.

In accordance with the Liability Management Policy, the Council is required to have enough borrowings and uncommitted facilities to meet its projected debt forecast for the following 12 months to manage liquidity risk.

As at 30 June 2019 the Council had committed Line of Credit arrangements totalling \$30 million (2018 \$30 million) in place with TSB Bank. A total of \$1,600,000 (2018 \$12,800,000) was drawn down as at balance date. Interest rates are related to the official 30-day bank bill mid-rate as quoted on Reuters Screen page BKBM at the time of draw down and are dependent on current market conditions and the term of the draw down. Drawdowns can be for a term ranging from overnight up to the length of the term remaining of the applicable facility.

Sensitivity Analysis

The following shows the impact of a 1% (100 basis point shift in interest rates) on the valuation of the swaps.

Fair Value	(13,971,729)
Upwards Shift in Zero Rate (100bp)	(8,526,354)
Downwards Shift in Zero Rate (100bp)	(19,866,343)

NOTES TO FINANCIAL STATEMENTS

PITO KŌRERO KI TE TAUĀKI PŪTEA

Interest Rate Risk

Both amounts available as a draw down under the lines of credit and debt facilities are subject to changes in market interest rates. This risk is actively managed in conjunction with Price WaterHouse Coopers by transacting interest rate swaps in accordance with the Liability Management Policy. Interest rates are therefore converted to an effective fixed rate for amounts between 55% and 95% of projected debt.

Currency Risk

The Council incurs currency risk for its overseas equities as a result of investment transactions entered into by the Fund Managers.

Interest Rate Risk

The following investments of the Council are sensitive to changes in interest rates: bank balances, current term investments and securities held by the Fund Managers. The Council adopts a conservative risk profile, while aiming to maximise its returns. Note 6 and Note 13 documents the interests for investments and borrowings.

The Council's Liability Management Policy limits financial guarantees to single organisations of no more than 10% of the total financial guarantees, which is capped at \$500,000. The Council departed from this policy for the Ōpunakē Sports Centre Trust as multiple sporting organisations are catered for by this facility.

Market Risk

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Council is exposed to price risk through its equity securities, which are classified as financial assets held at fair value through equity. This price risk arose due to market movements in listed securities. This price risk is managed by the diversification of the Council's investment portfolio and is managed by the Fund Managers in accordance with the agreed Statement of Investment Policy and Objectives and the Council's Investment Policy.

Liquidity Risk

Liquidity risk is the risk that the Council will encounter difficulty in raising enough funds to meet financial commitments as they fall due. The Council manages this risk by maintaining adequate funds available to meet projected needs. This is managed in conjunction with loans raised for capital projects. Funds are managed in conjunction with the funding and financial policies, which include the Liability Management Policy and the Investment Policy.

Credit Facilities

Other than day to day credit facilities with suppliers, the Council has credit facilities available through lines of credit and finance leases (see Note 13).

Fair Value Hierarchy Disclosures (IFRS 7)

For those instruments recognised at fair value in the Statement of Financial Position, fair values are determined according to the following hierarchy:

* Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.

* Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

* Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the Statement of Financial Position.

Council 2018 \$,000	Consolidated 2018 \$,000	Financial Assets Fair Value through Comprehensive Revenue and Expenses	Council 2019 \$,000	Consolidated 2019 \$,000
		FINANCIAL ASSETS		
		DERIVATIVE FINANCIAL INSTRUMENTS		
0	0	- Quoted Market Price	0	0
0	0	- Observable Inputs	0	0
0	0	- Significant Non-Observable Inputs	0	0
		CASH FUNDS		
0	0	- Quoted Market Price	0	0
19,895	19,895	- Observable Inputs	23,720	23,720
0	0	- Significant Non-Observable Inputs	0	0
		SHORT TERM DEPOSIT		
0	0	- Quoted Market Price	0	0
0	0	- Observable Inputs	0	0
0	0	- Significant Non-Observable Inputs	0	0
		NZ BONDS		
0	0	- Quoted Market Price	0	0
12,917	12,917	- Observable Inputs	13,788	13,788
992	992	- Significant Non-Observable Inputs	1,280	1,280
		GLOBAL BONDS		
0	0	- Quoted Market Price	0	0
18,549	18,549	- Observable Inputs	15,670	15,670
0	0	- Significant Non-Observable Inputs	0	0
		TRANS-TASMAN EQUITIES		
549	549	- Quoted Market Price	388	388
17,903	17,903	- Observable Inputs	18,168	18,168
475	475	- Significant Non-Observable Inputs	322	322
		GLOBAL EQUITIES		
0	0	- Quoted Market Price	0	0
36,993	36,993	- Observable Inputs	38,012	38,012
0	0	- Significant Non-Observable Inputs	0	0
		LOW VOLATILITY EQUITIES		
0	0	- Quoted Market Price	0	0
9,434	9,434	- Observable Inputs	10,061	10,061
0	0	- Significant Non-Observable Inputs	0	0
		GLOBAL PROPERTY FUNDS		
0	0	- Quoted Market Price	0	0
7,438	7,438	- Observable Inputs	7,338	7,338
0	0	- Significant Non-Observable Inputs	0	0

NOTES TO FINANCIAL STATEMENTS

PITO KŌRERO KI TE TAUĀKI PŪTEA

Council 2018 \$,000	Consolidated 2018 \$,000	Financial Assets Fair Value through Comprehensive Revenue and Expenses	Council 2019 \$,000	Consolidated 2019 \$,000
HEDGE FUND				
0	0	- Quoted Market Price	0	0
8,819	8,819	- Observable Inputs	8,741	8,741
0	0	- Significant Non-Observable Inputs	0	0
GLOBAL LIST INFRASTRUCTURE				
0	0	- Quoted Market Price	0	0
6,838	6,838	- Observable Inputs	7,261	7,261
0	0	- Significant Non-Observable Inputs	0	0
FINANCIAL LIABILITIES DERIVATIVE FINANCIAL INSTRUMENTS				
0	0	- Quoted Market Price	0	0
8,851	8,851	- Observable Inputs	13,972	13,972
0	0	- Significant Non-Observable Inputs	0	0

There were no transfers between the different levels of the fair value hierarchy.

Fair Value Hierarchy Disclosures

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
1,440	1,440	Balance at 1 July	1,466	1,466
0	0	Purchase of New Investment	136	136
26	26	Gain and losses recognised in comprehensive income	0	0
0	0	Transfers out of level 3	0	0
1,466	1,466	Balance at 30 June	1,602	1,602

Financial Instrument Risk

The Council's maximum credit exposure for each class of financial asset (excluding equities) is as follows:

Credit Risks

To the extent another party has a payable to the Council, there is a credit risk in the event of non-performance by that counter party.

No collateral or other security is required to support financial instruments.

The Council has no significant concentrations of credit risk as it has many customers, mainly ratepayers.

Financial instruments which subject the Council to potential credit risk principally consist of the following bank balances, investments and receivables as at balance date:

Council 2018 \$,000	Consolidated 2018 \$,000	Financial Assets Fair Value through Comprehensive Revenue and Expenses	Council 2019 \$,000	Consolidated 2019 \$,000
19,894	19,894	Cash and Cash equivalents	23,720	23,720
0	0	Short Term Deposit	0	0
32,458	32,458	Bonds	30,738	30,738
1,411	1,411	Loans and Receivables	1,575	1,575
11,037	11,037	Accounts Receivable	8,782	8,782
64,801	64,801	Total Financial Asset Credit Risk	64,815	64,815

Council 2018 \$,000	Consolidated 2018 \$,000	Financial Assets Fair Value through Comprehensive Revenue and Expenses	Council 2019 \$,000	Consolidated 2019 \$,000
BONDS				
9,093	9,093	AAA, Government & Agency	13,906	13,906
13,959	13,959	AA+/AA/AA-	6,639	6,639
5,587	5,587	A+/A/A-	6,016	6,016
3,331	3,331	BBB+/BBB	3,463	3,463
488	488	Sub Prime Grade	714	714
32,458	32,458		30,738	30,738
CASH & SHORT-TERM DEPOSIT				
0	0	AAA, Government & Agency	0	0
19,894	19,894	AA+/AA/AA-	23,720	23,720
0	0	A+/A/A-	0	0
0	0	BBB+/BBB	0	0
19,894	19,894		23,720	23,720
EXISTING COUNTERPARTIES WITH NO DEFAULTS IN THE PAST				
1,411	1,411	Loans and Receivables	1,575	1,575
36,993	36,993	Global Equities	38,012	38,012
7,438	7,438	Global Property	7,338	7,338
6,838	6,838	Global Listed Infrastructure	7,261	7,261
8,819	8,819	Hedge Fund	8,741	8,741
17,903	17,903	Trans-Tasman Equities	18,168	18,168
9,434	9,434	Low Volatility	10,061	10,061
1,023	1,023	Other shares and notes	710	710
89,858	89,858		91,867	91,867
142,210	142,210	Total Financial Assets	146,324	146,324

NOTES TO FINANCIAL STATEMENTS

PITO KŌRERO KI TE TAUĀKI PŪTEA

Financial Assets Sensitivity Analysis

Cash and Cash Equivalents

As part of a diversified portfolio of investments the Council has an investment of \$11.07m in wholesale cash funds and \$2.07m in term deposits. The Council also has \$10.57m available in the Westpac cheque account.

Additionally, the Council and its Investment managers maintain cash amounts (liquidity) to manage their day to day cash requirements. This ensures that enough funds are available for the Council and enables the Council to allocate funds between investment asset classes to maintain its risk profile. Accordingly amounts can fluctuate significantly and impact the potential level of financial revenue earned.

Interest Rate Risk

Both the wholesale cash fund and liquidity balances are subject to changes in market interest rates. This risk is actively managed by the fund managers and is spread across a range of investments and maturities. The amount of liquidity is managed between the Council and its investment managers and advisors. A 1% change in interest rates would have an impact of \$237,200 over a one- year period if balances remained unchanged.

Credit Risk

Both the wholesale cash fund and liquidity balances are exposed to losses resulting from the failure of any bank or cash investment. This risk is managed by strict limits on the type and nature of permissible investments and investments are spread across a range of counterparties and maturities. It is not practical or possible to model the impact of a change in credit rating or default event.

Liquidity Risk

There is a risk that funds do not have enough cash funds to meet a drawdown by the Council. This risk is not significant as enough liquidity is maintained through lines of credit facilities and units can be sold in the funds on demand.

Bonds

As part of a diversified portfolio of investments the Council has an investment of \$30.74m in bonds.

This comprises an investment in ANZ's NZ Bond Portfolio \$13.79m, PIMCO and Wellington portfolios managed by Fisher Funds \$15.67m and \$1.28m in LGFA FRNs.

Interest Rate Risk

Both the global bond fund and NZ bond holdings are subject to changes in market interest rates. This risk is managed by the fund managers and is spread across a range of investments and maturities. A 1% change in interest rates would have an impact of \$307,380 over a 1-year period if balances remained unchanged.

Credit Risk

Both the wholesale cash fund and liquidity balances are exposed to losses resulting from the failure of any underlying investment. This risk is managed by strict limits on the type and nature of permissible investments and investments are spread across a range of counterparties and maturities. It is not practicable or possible to model the impact of a change in credit rating or default event.

Currency Risk

The global bond portfolio is subject to changes in foreign currency. The largest non-NZD exposure is to the US dollar, a 10% change in currency would result in an impact of \$1,567,048.

Loans and Receivables

All loans and receivables due to the Council which are liable to earn interest are charged based on an agreed commercial schedule. Such items are intended to be held through to maturity with interest rates reviewed as required in the terms of the advance.

Interest Rate Risk

All loans and receivables due to the Council are subject to changes in market interest rate. A 1% change in interest rate would result in an impact of \$15,750.

Credit Risk

All loans and receivables are exposed to losses resulting from the failure of the entity to which a loan has been made. No formal credit monitoring procedures exist.

Accounts Receivables

All counterparties within the accounts receivable mainly arise from the Council's statutory functions or a community development decision made by the Council. The Council has no significant concentration of credit risk in relation to debtors. The Council has power under the Local Government Rating Act 2002 to recover money from ratepayers.

Credit Risk

Other than standard internal credit monitoring procedures there are no cost-effective measures available to monitor the credit quality of such counterparties.

Equities

As part of a diversified portfolio of LTIF investments the Council has an investment of \$66.24m in equity funds, Global Property of \$7.34m, Global Listed Infrastructure of \$7.26m and Hedge Fund of \$8.74m.

Market Price Risk

Equity investments are subject to equity price risk. A 1% change in the value of equities would have a maximum unhedged impact of \$662,410.

Currency Risk

Trans-Tasman Equities are mainly held in New Zealand and Australian dollars. The currency risk of this portfolio is accepted as part of the overall investment strategy. The global equity portfolio is 64% hedged by foreign exchange contracts executed by the fund manager. Property investments are via New Zealand denominated indices.

Foreign Currency Exposure

Total foreign currency exposure before hedging is as follows:

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
4,092	4,092	Australian Dollar	2,897	2,897
424	424	Brazilian Real	267	267
2,386	2,386	Canadian Dollar	2,085	2,085
2,310	2,310	Swiss Franc	2,456	2,456
15	15	Chilean Peso	15	15
0	0	Czech Koruna	1	1
13,750	13,750	Euro	13,107	13,107
11,114	11,114	British Pound	9,127	9,127
1,315	1,315	Hong Kong Dollar	1,611	1,611
5,470	5,470	Japanese Yen	5,891	5,891
924	924	Denmark Krona	786	786
33	33	Polish Zloty	23	23
170	170	Mexican Peso	254	254
395	395	Norwegian Krone	314	314
42,957	42,957	New Zealand Dollar	45,080	45,080
1,320	1,320	Swedish Krona	893	893
327	327	Singapore Dollar	190	190
43,907	43,907	United States Dollar	46,257	46,257
(8)	(8)	Chinese Yuan	2	2
(1)	(1)	Indian Rupee	2	2
19	19	Indonesian Rupiah	39	39
285	285	South Korean Won	252	252
157	157	Thai Baht	133	133
67	67	Malaysian Ringgit	52	52
107	107	Taiwanese Dollar	110	110
19	19	South African Rand	9	9
14	14	Russian Ruble	15	15
18	18	Turkish Lira	13	13
0	0	Peruvian Sol	53	53
243	243	Israeli Shekel	257	257
131,828	131,828		132,191	132,191

NOTES TO FINANCIAL STATEMENTS

PITO KŌRERO KI TE TAUĀKI PŪTEA

Financial Instrument Risk

The table below analyses the Council and group's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

Liabilities	Carrying Amount	Contractual Cash flows	Less than 1 Year	1 - 2 Years	2 - 5 Years	More than 5 Years
COUNCIL 2019						
Creditors and Other Payables	7,699	7,699	7,699	0	0	0
Secured Loans	1,600	3,666	116	116	1,834	1,600
Debentures	112,000	129,659	27,557	14,124	36,444	51,535
Finance Leases	1,325	1,514	120	120	318	956
Net Settled Derivative Liabilities	13,972	14,329	2,850	2,617	5,956	2,906
Total	136,596	156,867	38,342	16,977	44,552	56,997
CONSOLIDATED 2019						
Creditors and Other Payables	7,699	7,699	7,699	0	0	0
Secured Loans	1,600	3,666	116	116	1,834	1,600
Debentures	112,000	129,659	27,557	14,124	36,444	51,535
Finance Leases	1,325	1,514	120	120	318	956
Net Settled Derivative Liabilities	13,972	14,329	2,850	2,617	5,956	2,906
Total	136,596	156,867	38,342	16,977	44,552	56,997
COUNCIL 2018						
Creditors and Other Payables	8,847	8,847	8,847	0	0	0
Secured Loans	12,800	14,733	383	383	1,150	12,816
Debentures	104,000	114,095	22,486	27,033	42,539	22,037
Finance Leases	1,424	1,552	120	120	318	994
Net Settled Derivative Liabilities	8,851	15,192	2,574	2,446	5,501	4,670
Total	135,922	154,418	34,410	29,982	49,509	40,517
CONSOLIDATED 2018						
Creditors and Other Payables	8,847	8,847	8,847	0	0	0
Secured Loans	12,800	14,733	383	383	1,150	12,816
Debentures	104,000	114,095	22,486	27,033	42,539	22,037
Finance Leases	1,424	1,552	120	120	318	994
Net Settled Derivative Liabilities	8,851	15,192	2,574	2,446	5,501	4,670
Total	135,922	154,418	34,410	29,982	49,509	40,517

The table below analyses the Council and group's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

Assets	Carrying Amount	Contractual Cash flows	Less than 1 Year	1 - 2 Years	2 - 5 Years	More than 5 Years
COUNCIL 2019						
Cash and Cash equivalents	10,567	10,567	10,567	0	0	0
Loans and Receivables	1,575	1,853	242	256	688	667
Accounts Receivable	8,782	8,782	8,782	0	0	0
Net Settled Derivative Asset	0	0	0	0	0	0
Total	20,924	21,202	19,591	256	688	667
CONSOLIDATED 2019						
Cash and Cash equivalents	10,567	10,567	10,567	0	0	0
Loans and Receivables	1,575	1,853	242	256	688	667
Accounts Receivable	8,782	8,782	8,782	0	0	0
Net Settled Derivative Asset	0	0	0	0	0	0
Total	20,924	21,202	19,591	256	688	667
COUNCIL 2018						
Cash and Cash equivalents	6,956	6,956	6,956	0	0	0
Loans and Receivables	1,411	1,717	236	352	990	139
Accounts Receivable	11,037	11,037	11,037	0	0	0
Net Settled Derivative Asset	0	0	0	0	0	0
Total	19,404	19,710	18,228	352	990	139
CONSOLIDATED 2018						
Cash and Cash equivalents	6,956	6,956	6,956	0	0	0
Loans and Receivables	1,411	1,717	236	352	990	139
Accounts Receivable	11,037	11,037	11,037	0	0	0
Net Settled Derivative Asset	0	0	0	0	0	0
Total	19,404	19,710	18,228	352	990	139

Maturity term of LTIF Bonds

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
1,552	1,552	Less than one year	2,206	2,206
16,468	16,468	One to five years	10,292	10,292
13,446	13,446	Greater than five years	16,960	16,960
31,466	31,466		29,458	29,458

NOTES TO FINANCIAL STATEMENTS

PITO KŌRERO KI TE TAUĀKI PŪTEA

Note 23: Derivative Financial Instruments

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Consolidated 2019 \$,000
CURRENT ASSET PORTION				
0	0	Interest rate swaps	0	0
0	0	Total current asset portion	0	0
NON-CURRENT ASSET PORTION				
0	0	Interest rate swaps	0	0
0	0	Total non-current asset portion	0	0
0	0	Total derivative financial instrument assets	0	0
CURRENT LIABILITY PORTION				
213	213	Interest rate swaps	102	102
213	213	Total current liability portion	102	102
NON-CURRENT LIABILITY PORTION				
8,638	8,638	Interest rate swaps	13,870	13,870
8,638	8,638	Total non-current liability portion	13,870	13,870
8,850	8,850	Total derivative financial instrument liabilities	13,972	13,972

Fair Value

Interest rate swaps

The fair value of interest rate swaps has been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value.

Interest Rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$152m (2018 \$157m). As at 30 June 2019, the fixed interest rates for cash flow hedge interest rate swaps varied from 1.93% to 5.55% (2018 2.75% to 5.55%).

Interest rates have plummeted to record lows globally meaning that borrowers around the world have fixed interest rate positions which are significantly above prevailing rates. The Council does however, maintain an interest rate policy framework to protect against all potential interest rate scenarios (i.e. not simply a sharply declining environment), acting as a prudent financial manager which requires a minimum level of interest rate fixing. The Council enters into interest rate hedging contracts on a regular basis to lock in interest rates on the debt portfolio. This is to support statutory and financial objectives, seeking to achieve a level of certainty in interest costs over time. Having interest rate hedging contracts in place reduces the impact of changes in interest rates on interest expense, helping to provide certainty on rates and deliver to budgeted and planned expenditure.

Accounting standards require the reporting of the fair value (mark to market) of interest rate hedging contracts each financial year. Changes in fair values reflect movements in interest rates. As interest rates in New Zealand have fallen to historic lows over the past year, Council will be reflecting a mark to market loss as at 30 June 2019. This is a non-cash adjustment and these mark to market losses will not be realised as the interest rate hedging contracts are generally held to maturity. The mark to market position of these interest rate hedges is however, adjusted annually and were interest rates to increase over the coming financial year, a gain would be shown on next years' financial statements.

Note 24: New Zealand Local Government Funding Agency

The South Taranaki District Council (STDC) is a shareholder 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 and it has a current credit rating from Standard and Poor's of AA+.

The Council is one of 31 shareholders and 22 local authority guarantors of the NZLGFA. In that regard it has uncalled capital of \$100k. When aggregated with the uncalled capital of other shareholders, \$20m is available if an imminent default is identified. Also, together with the other shareholders, the Council is a guarantor of all NZLGFA's borrowings. At 30 June 2019, NZLGFA had borrowings totalling \$9,531m (2018: \$8,272m).

Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

* 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 enough funds to meet any debt obligations if further funds were required.

Note 25: Depreciation and Amortisation expense by Group of Activity

Council 2018 \$,000	Consolidated 2018 \$,000		Council 2019 \$,000	Budget 2019 \$,000	Consolidated 2019 \$,000
494	494	Corporate Activities	546	566	546
7	7	Democratic Process	7	7	7
459	459	Arts & Culture	467	455	467
2,659	2,659	Community Facilities	2,737	2,840	2,737
27	27	District Economy	28	177	28
2	2	Community Development	2	2	2
45	45	Regulatory Services	62	56	62
1	1	Environmental Sustainability	1	1	1
4,559	4,559	Water Supply Service	4,548	4,611	4,548
6,470	6,470	Roading & Footpaths	6,726	6,515	6,726
417	417	Stormwater	429	463	429
1,327	1,327	Waste Water	1,360	1,355	1,360
44	44	Solid Waste	50	45	50
273	273	Coastal Structure	273	283	273
16,784	16,784		17,236	17,375	17,236

Note 26: Explanations of Major Variances against budget

Explanations for major variations from the Council's budget figures in its 2018-28 LTP are as follows:

Statement of Comprehensive Revenue and Expense

- Financial Revenue is greater than budgeted by \$1m due to Council's Investment Portfolio returns being higher than expected as a result of strong market conditions.
- Subsidies and Grants are greater than budgeted by \$1.4m due to unbudgeted income for the Landfill roading project and other Landfill related costs, recovered from NZTA and NPDC.
- Loss on derivative contract valuations of \$5.1m which was unbudgeted. A full explanation is given under note 23 with regards to unrealised mark to market losses.
- Finance costs and Depreciation are lower than budgeted by \$1.5m due to savings on Interest paid and delayed projects.

Statement of Financial Position

- The Current Assets are higher than budgeted by \$4.4m due to more cash in the bank and higher prepayments which include payment to NPDC for Council's Landfill share.
- Total Non-Current Assets are lower than budgeted by \$25m due to delayed capital works programme.
- The Current and Non-Current Term Liabilities are \$22.0m lower than budgeted mainly due to a lower than anticipated debt requirement as a result of delays in capital projects and transfer of \$4.5m debt from external debt to internal debt.

Note 27: Insurance Information

	2018 \$,000	2019 \$,000
Total value of all assets covered by insurance contracts	175,658	195,579
Total value of all assets covered by financial risk sharing arrangements	282,755	296,117
Total assets covered by insurance	458,413	491,697

Note 28: Rating Base Information

	30/06/2018	30/06/2019
Number of rating units	14,197	14,231
Total capital value of rating units	\$10,259,618,500	\$10,293,895,450
Total land value of rating units	\$7,251,101,950	\$7,255,359,100

NOTES TO FINANCIAL STATEMENTS

PITO KŌRERO KI TE TAUĀKI PŪTEA

Note 29: Joint Committee – Central Landfill

During 2017/18 the Council agreed with the New Plymouth District Council (NPDC) and the Stratford District Council (SDC) to form a Joint Committee tasked with developing a new central landfill and operating it following the closure of the Colson Road Landfill.

Each council's share of capital contribution, distribution of any operating surplus or apportionment of any operating deficit has been agreed as NPDC 66.4%, STDC 27.1% and SDC 6.5%.

In November 2018, the Joint Committee made the decision to suspend further development of the Central Landfill. Waste will now be disposed of at Bonny Glen under a 35-year contract with Midwest Disposals Ltd who operate the landfill. As there is no alternative use for the landfill, all capital costs incurred have been written off to surplus or deficit, of which the Council share is \$2.23 million. As at 30 June 2019 the Joint Committee is yet to decide about the return of unspent contributions.

Note 30: Items subsequent to Balance Date

We have no items subsequent to balance date currently.

Note 31: Financial Prudence Benchmarks

Annual Report Disclosure Statement for year ending 30 June 2019

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

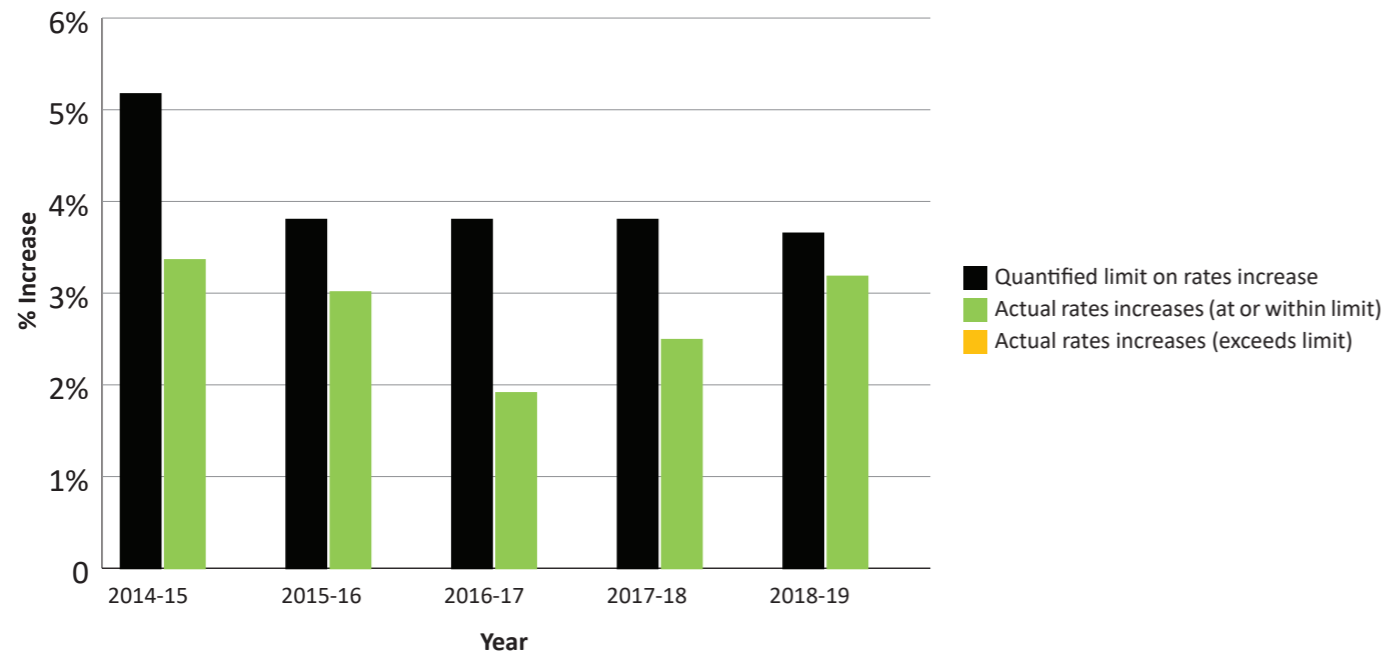
The Council meets the Rates Affordability Benchmark if –

- Its actual rates income equals or is less than each quantified limit on rates; and
- Its actual rate increases equal or are less than each quantified limit on rates increases.

Rates (increase) Affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates included in the Financial Strategy included in the Council's Long Term Plan. The quantified limit is the Local Government Index plus 1%.

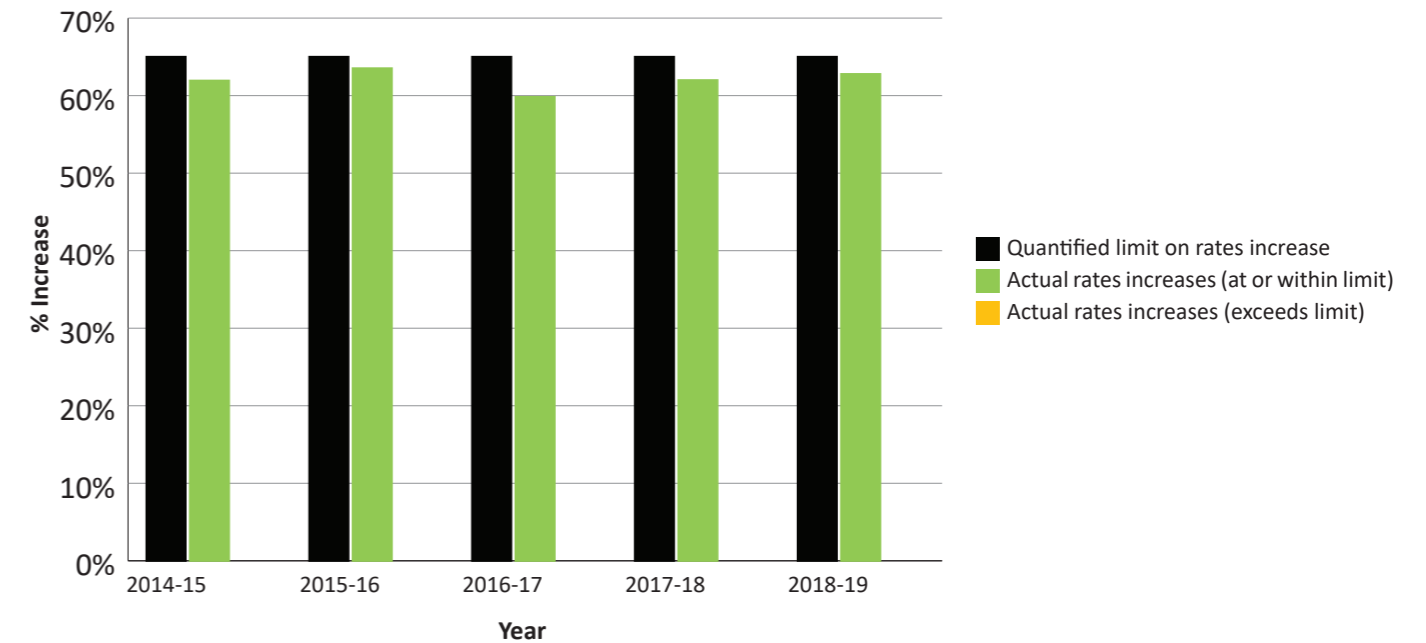
RATES (INCREASES) AFFORDABILITY BENCHMARK



Rates (Income) Affordability

The following graph compares the Council's actual rates income with a quantified limit on rates included in the Financial Strategy included in the Council's Long Term Plan. The quantified limit is rates income 60-65% of total projected revenue.

RATES (INCOME) AFFORDABILITY BENCHMARK

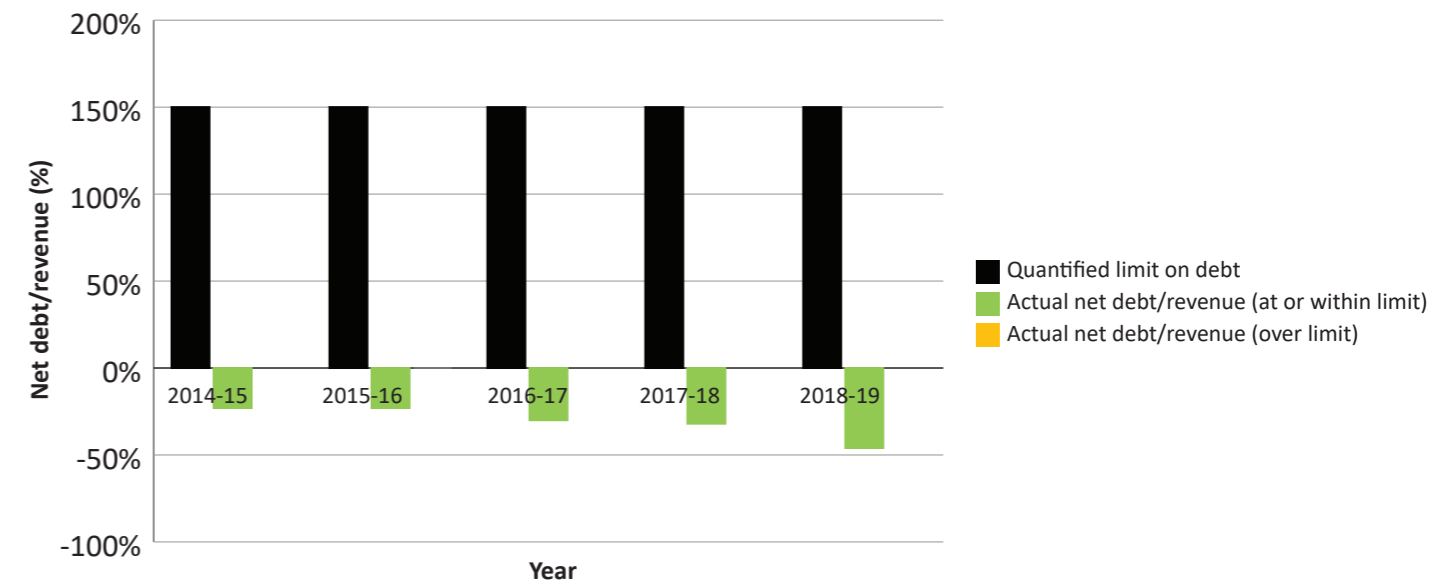


Debt Affordability

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The following 5 graphs compare the Council's actual borrowing stated in the Financial Strategy included in the Council's Long Term Plan. These 5 graphs are based on Council's definitions and not the legislation.

1 – The quantified limit is net debt less than 150% of revenue.

DEBT AFFORDABILITY BENCHMARK

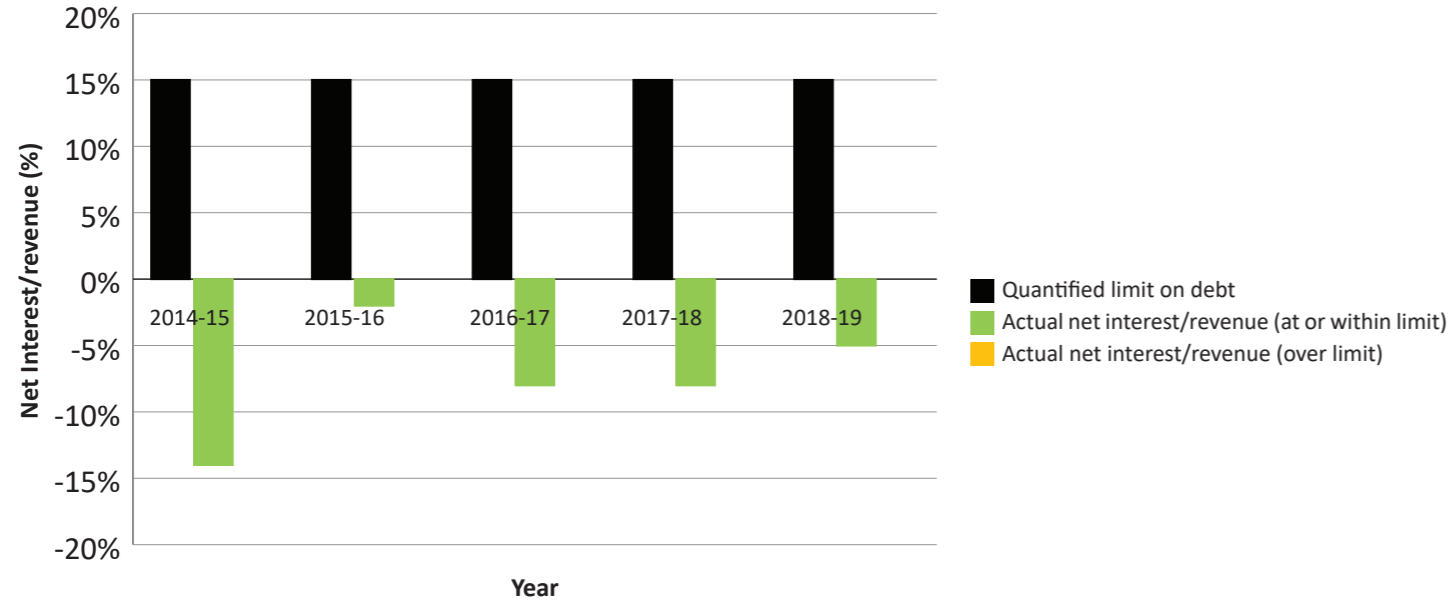


NOTES TO FINANCIAL STATEMENTS

PITO KŌRERO KI TE TAUĀKI PŪTEA

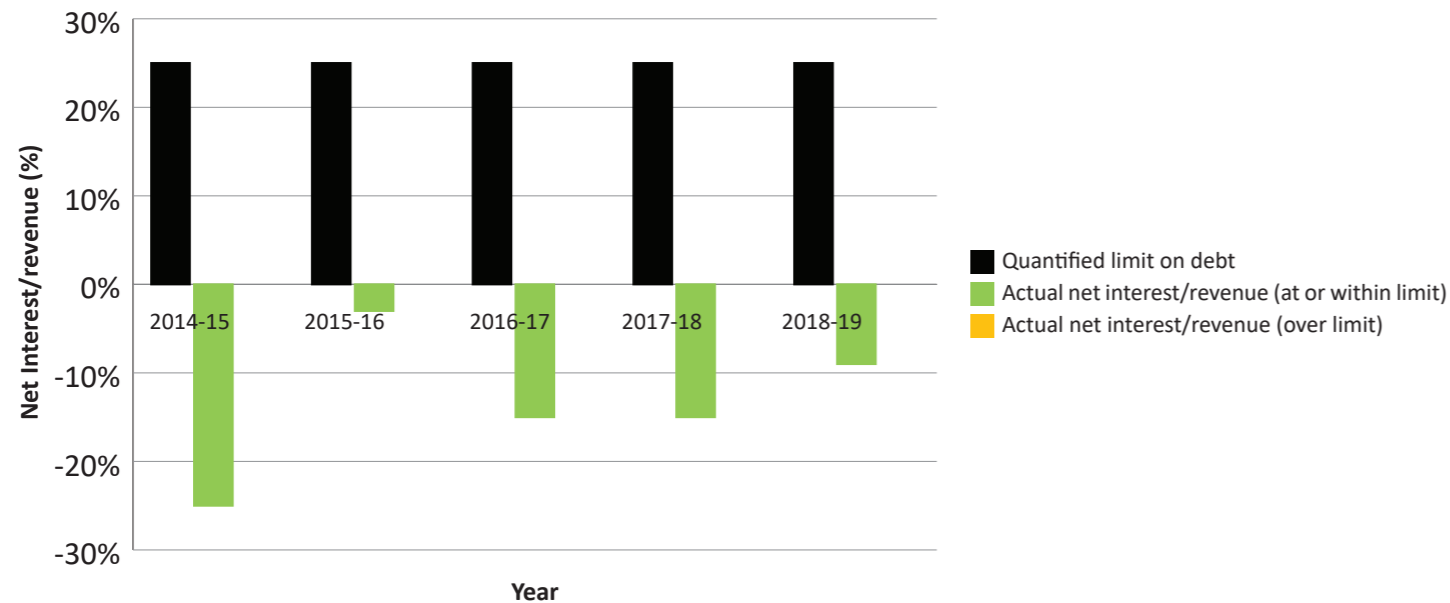
2 - Net interest expense as a percentage of total annual income of not more than 15%.

DEBT AFFORDABILITY BENCHMARK



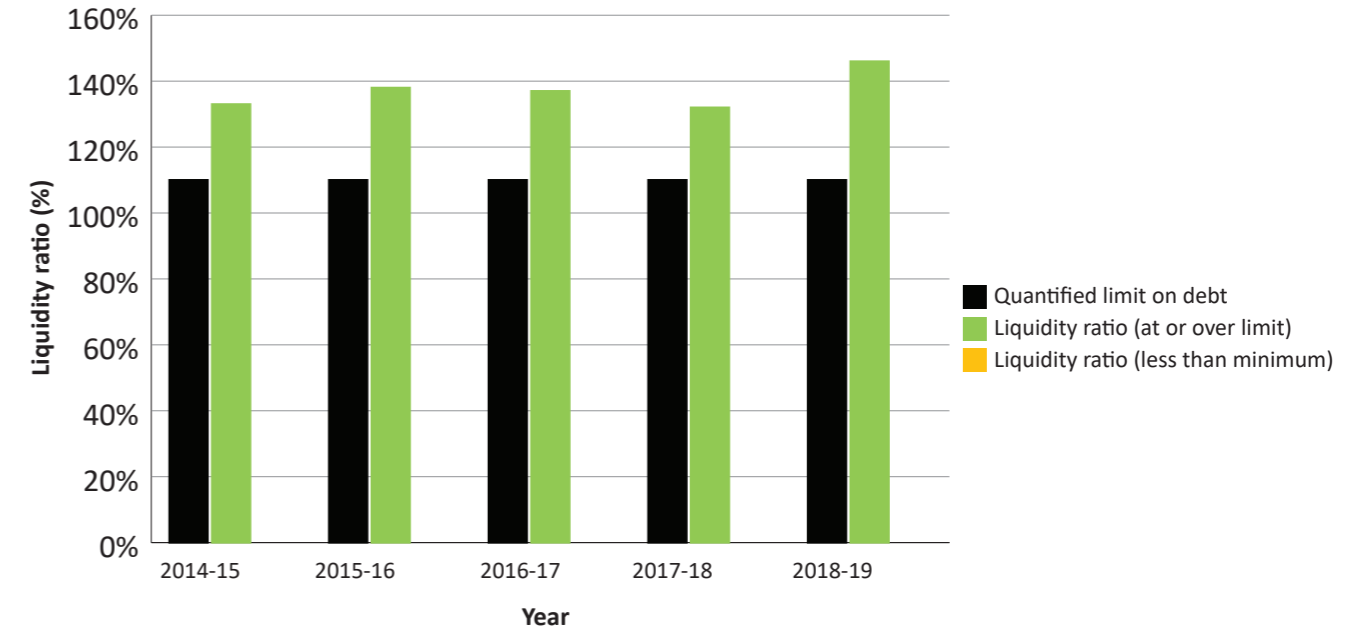
3 - Net interest expense as a percentage of total annual rates income of not more than 25%.

DEBT AFFORDABILITY BENCHMARK



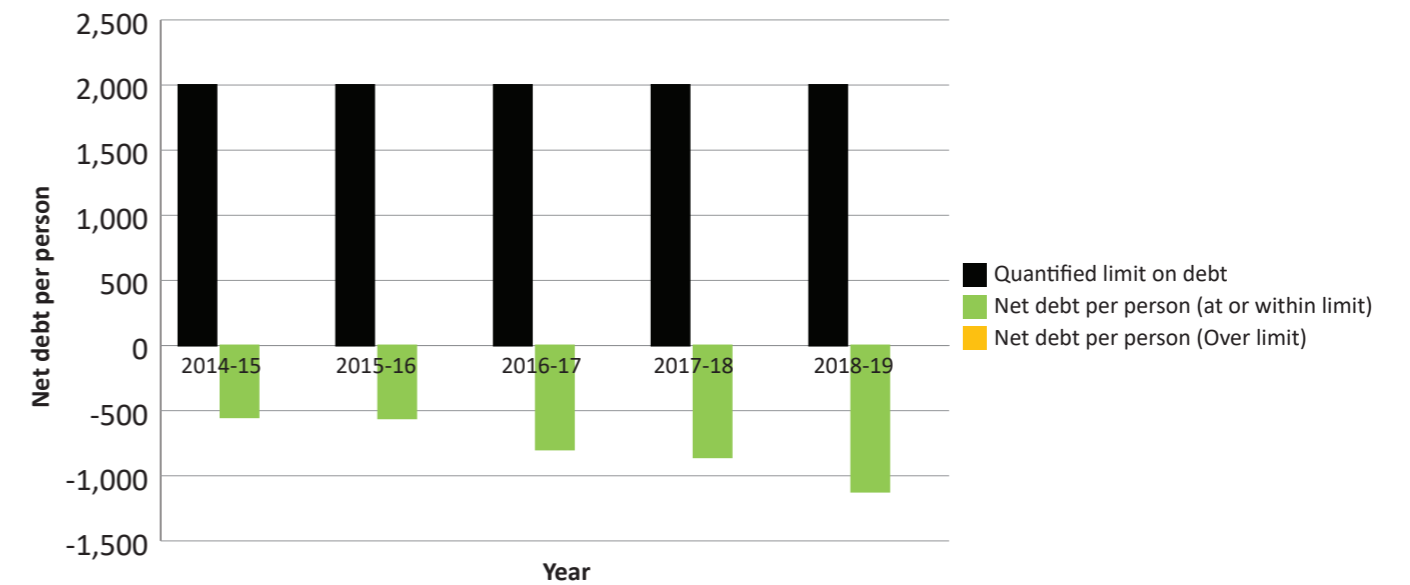
4 - Liquidity Ratio; external term debt plus committed bank loan facilities plus liquid assets/cash equivalents maintained at an amount of at least 110% over existing external debt.

DEBT AFFORDABILITY BENCHMARK



5 - Net debt per capita is less than \$2,000 per person.

DEBT AFFORDABILITY BENCHMARK



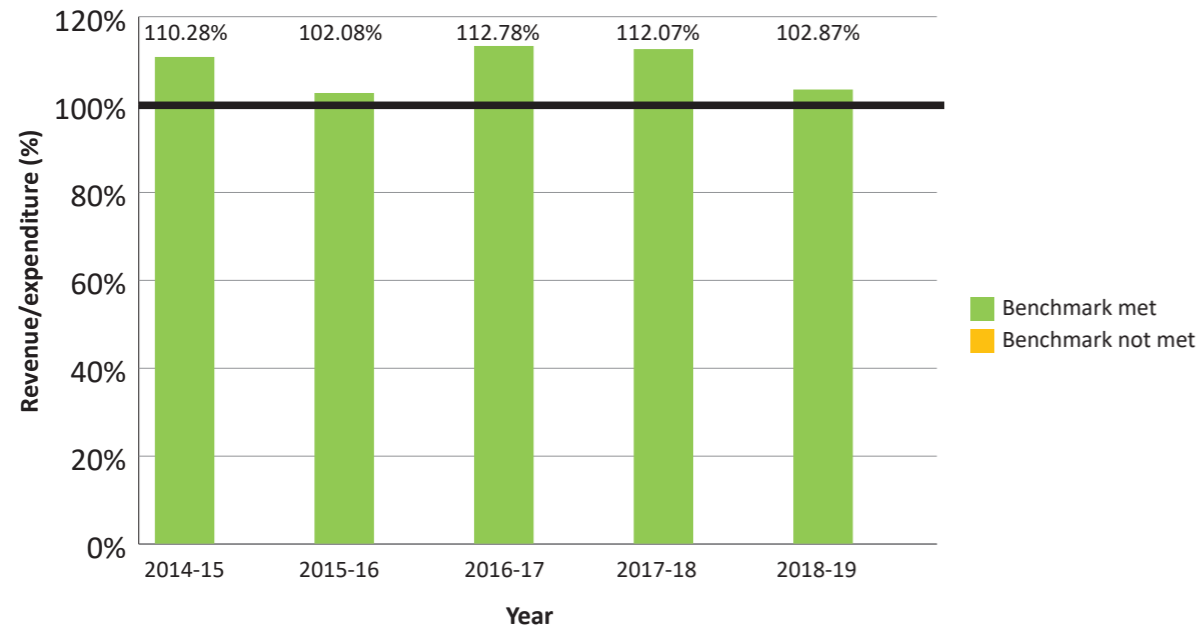
NOTES TO FINANCIAL STATEMENTS

PITO KŌRERO KI TE TAUĀKI PŪTEA

Balanced Budget Benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). The Council meets this benchmark if its revenue equals or is greater than its operating expenses.

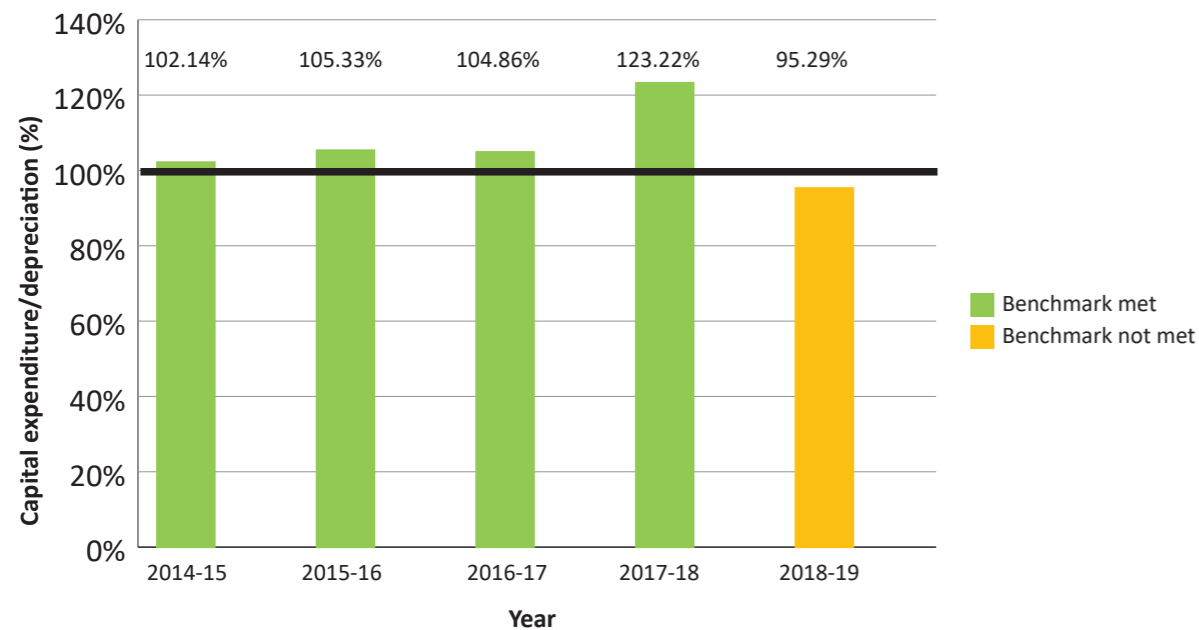
BALANCED BUDGET BENCHMARK



Essential Services Benchmark

The following graph displays the Council's Capital Expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equal or is greater than depreciation on network services.

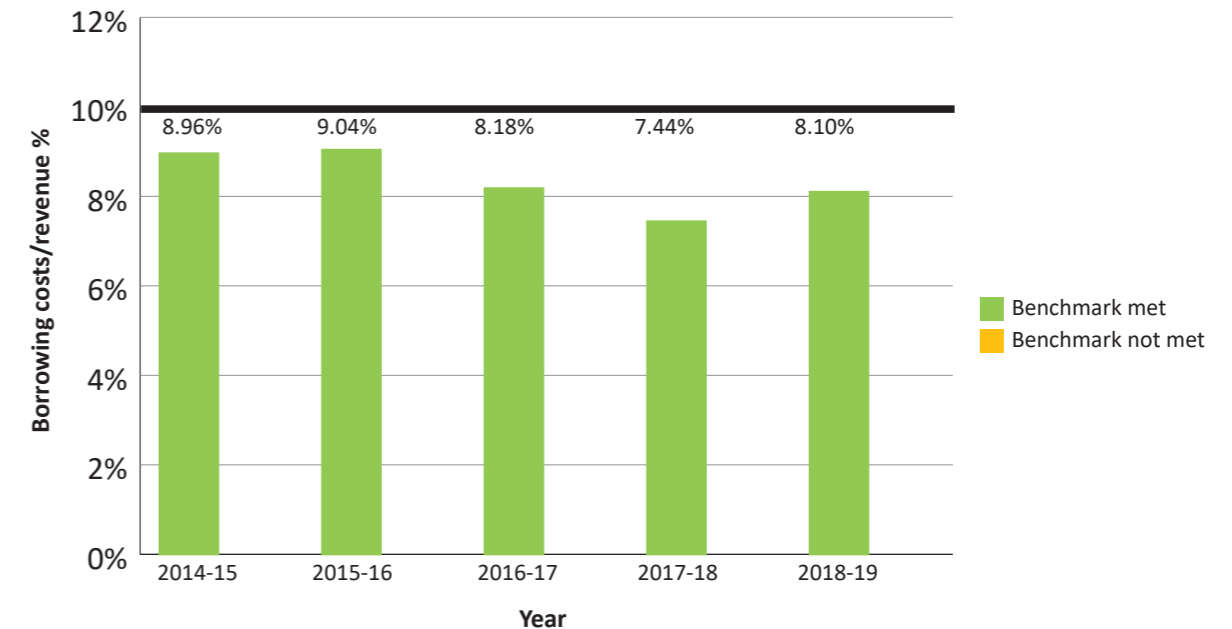
ESSENTIAL SERVICES BENCHMARK



Debt Servicing Benchmark

The following graph displays the Council's borrowing costs as a proportion of 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 growth rate, it meets the debt servicing benchmark if its borrowing costs are equal or less than 10% of its revenue.

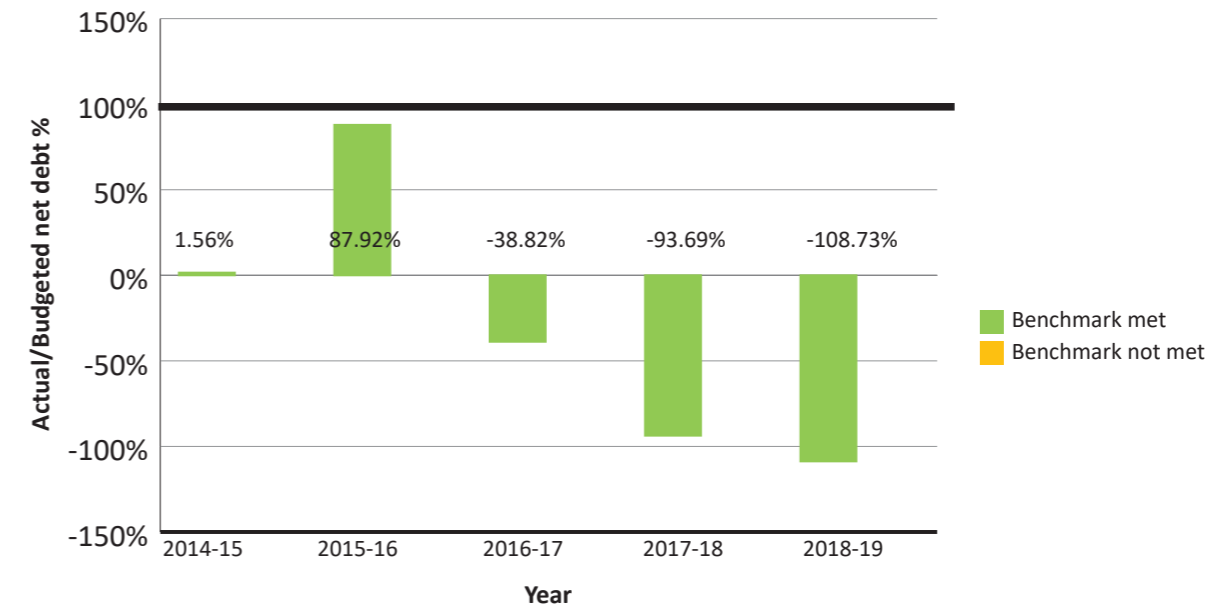
DEBT SERVICING BENCHMARK



Debt Control Benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities, less financial assets (excluding trade and other receivables). The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

DEBT CONTROL BENCHMARK

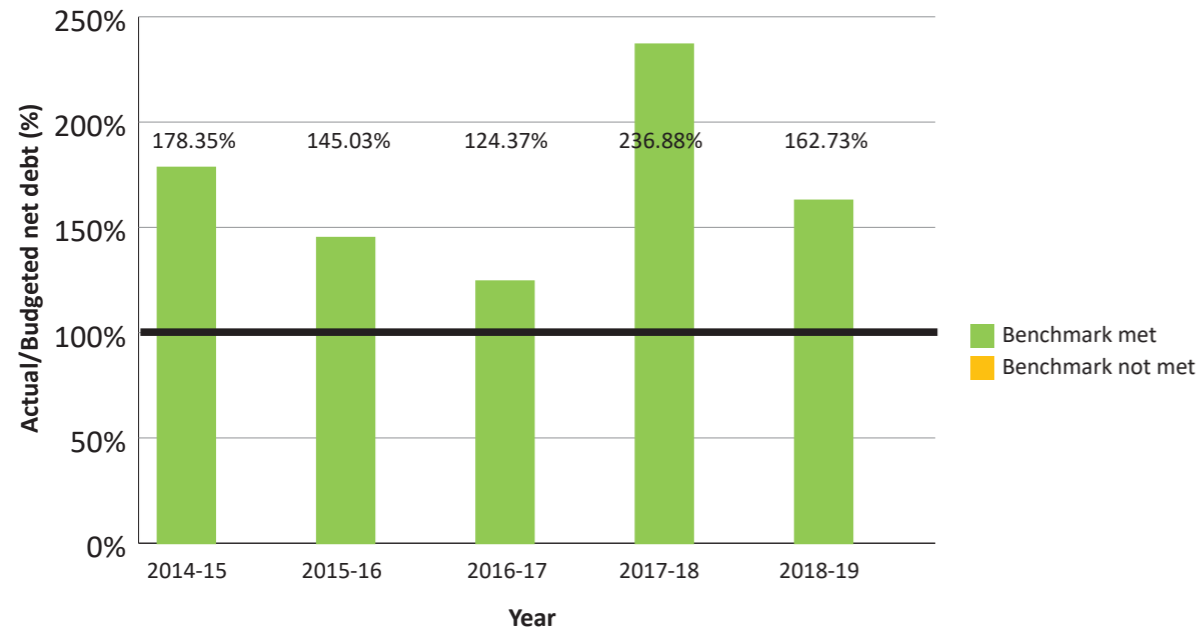


NOTES TO FINANCIAL STATEMENTS

Operations Control Benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

OPERATIONS CONTROL BENCHMARK

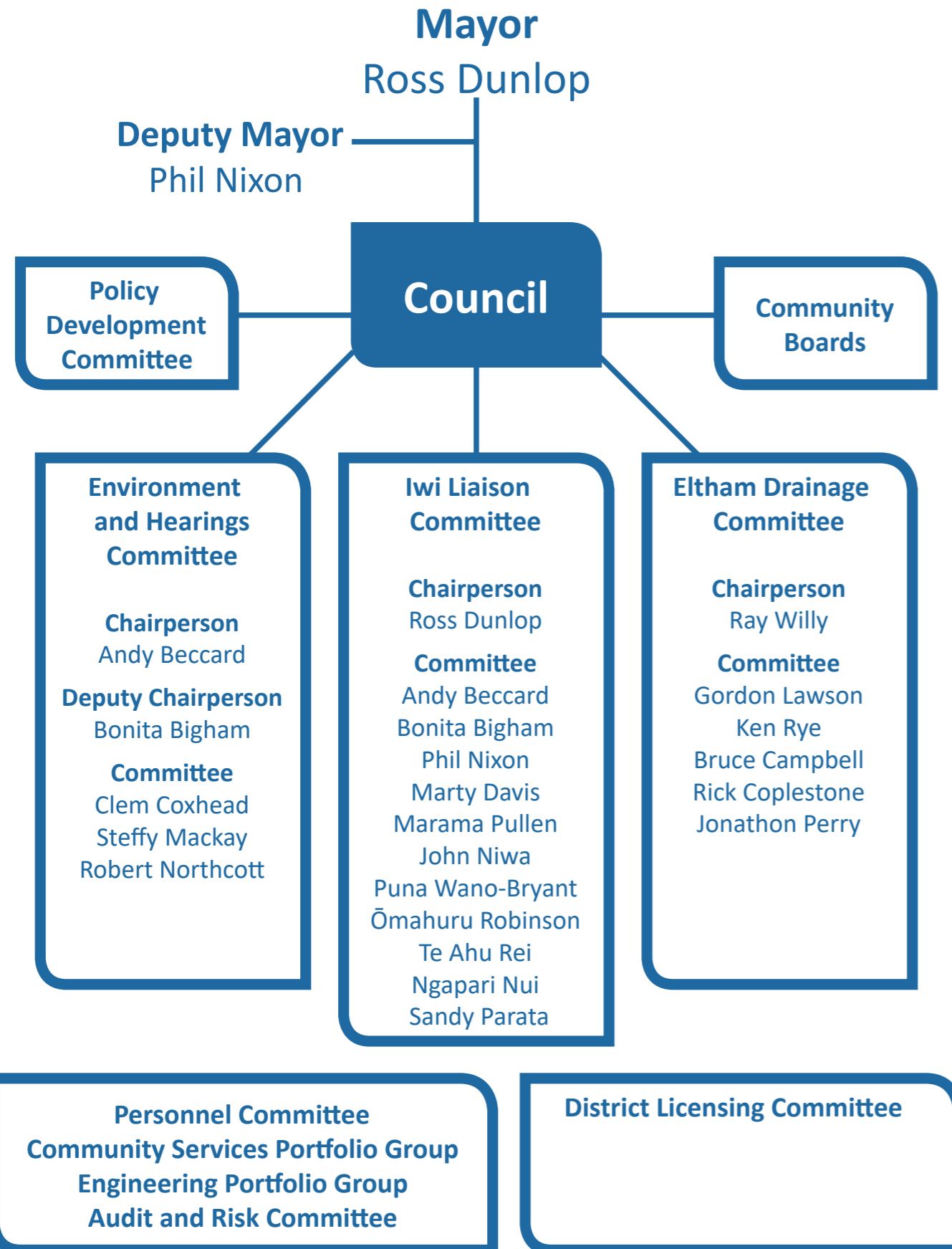


POLITICAL STRUCTURE PITO KŌRERO KI TE TAUĀKI PŪTEA



POLITICAL STRUCTURE

ELECTED MEMBERS



The Mayor, Councillors and Community Board members listed below were elected in October 2016 for a three year term.

Mayor	Mr Ross Dunlop
Deputy Mayor	Mr Phil Nixon
Councillors	
Mr Andy Beccard	Ms Bonita Bigham
Ms Kirsty Bourke	Mr Gary Brown
Mr Clem Coxhead	Mr Gordon Lawson
Mr Phil Nixon	Mr Robert Northcott
Mrs Steffy Mackay	Mr Jack Rangiwahia
Mr Bryan Roach	Mr Ian Wards
Community Boards	
EGMONT PLAINS COMMUNITY BOARD	ELTHAM COMMUNITY BOARD
Mr Craig Dingle (Chair)	Mrs Karen Cave
Mr Brian Vincent	Mr Alan Hawkes
Mr Andy Whitehead	Mrs Maree Liddington (Chair)
Ms Sharlee Mareikura	Mr Jim Turahui
Cr Bonita Bigham	Cr Steffy Mackay
HĀWERA-TANGAHOE COMMUNITY BOARD	PĀTEA COMMUNITY BOARD
Ms Celine Filbee (Chair)	Mrs Jacq Dwyer
Mr Mark Hayman	Ms Dianne Lance
Mr Roydon Collingwood	Mrs Ruth MacKay (Chair)
Mrs Diana Reid	Mrs Olivia McQuillan
Cr Gary Brown	Cr Rob Northcott

MANAGEMENT AND STAFF

THE CHIEF EXECUTIVE'S ROLE AND RESPONSIBILITIES

The Council's Governance Policies and legislation determine the role and responsibilities of the Chief Executive. At the Council all delegations are from the Council to the Chief Executive Officer except for certain provisions within the Resource Management Act where there is clear direction to delegate to the relevant staff member. The Chief Executive employs all staff and acts on the Council's behalf.

The Chief Executive has approval to expend or commit the Council to any approved expenditure contained in the Long Term Plan or Annual Plan or over-expenditure within the following thresholds:

- Up to 15% above a budgeted expenditure item greater than \$1m
- Up to 20% above a budgeted expenditure item greater than \$200,000 but less than \$1m
- Up to 20% (maximum \$40,000) for items less than \$200,000
- Up to \$100,000 for unbudgeted expenditure; and
- To all works necessary in the case of an emergency (with no financial limit).

Monitoring of Chief Executive's performance

The Personnel Committee's primary function is to oversee the relationship between the Council and the Chief Executive (CE) and monitor his/her performance. The Committee comprises of the Mayor, the Deputy Mayor, the Chairman of the Environment and Hearings Committee and two councillors.

Senior Leadership Team

Mr Waid Crockett	Chief Executive
Mrs Phillippa Wilson	Group Manager Corporate Services
Mr John McKenzie	Group Manager Environmental Services (1 July 2018 – mid-November 2018)
Mrs Phillippa Wilson	Acting Group Manager Environmental Services (mid-November 2018 to 26 April 2019)
Mr Liam Dagg	Group Manager Environmental Services (29 April 2019 – 30 June 2019)
Mr Brent Manning	Group Manager Engineering Services (1 July 2018 – November 2018)
Mr Rob Green Acting	Group Manager Engineering Services (November 2018 – December 2018)
Ms Fiona Greenhill	Acting Group Manager Engineering Services (January 2019 – March 2019)
Ms Fiona Greenhill	Group Manager Community Services (1 July 2018 – March 2019)
Restructured Engineering Services and Community Services from two groups into one	
Ms Fiona Greenhill	Group Manager Community & Infrastructure Services (March 2019 – 30 June 2019)

Our staff

The table below shows changes in staff numbers across departments.

	2018			2019		
	Fulltime	Part-time	Fixed Term	Fulltime	Part-time	Fixed Term
Office of the Chief Executive	9	0	0	8	0	1
Community & Infrastructure	67	52	5	70	44	3
Environmental	20	1	0	19	1	0
Corporate	34	11	5	32	9	5
Totals	130	64	10	129	54	9

COUNCIL CONTROLLED ORGANISATIONS

The South Taranaki District Council has 100% ownership of the Company – Novus Contracting Ltd. Novus Contracting Ltd is exempt of being a Council Controlled Organisation under Section 7 (3) of the Local Government Act 2002.

OFFICE LOCATIONS

The main Council Administration Building is in Albion Street, Hāwera and the Council provides an extensive combined library and council service throughout the District, known as LibraryPlus centres in Ōpunakē, Eltham, Hāwera, Kaponga, Manaia, Pātea and Waverley. The Council services include payment of rates and accounts, enquiries for pensioner housing, burials, building consent applications, property file requests and community facility bookings. Six of the LibraryPlus centres act as agencies for the dissemination of visitor information.

LOCATIONS/DIRECTORY

Hāwera Administration Centre	105-111 Albion Street Hāwera 4610 Telephone Fax	06 278 0555/0800 111 323 06 278 8757
	Postal Address South Taranaki District Council Private Bag 902 Hāwera 4640	
Hāwera LibraryPlus	High Street Hāwera Telephone Fax	0800 111 323 06 278 9407
Eltham LibraryPlus	High Street Eltham Telephone Fax	0800 111 323 06 764 8857
Kaponga LibraryPlus	Egmont Street Kaponga Telephone Fax	0800 111 323 06 764 6088
Manaia LibraryPlus	South Road Manaia Telephone Fax	0800 111 323 06 274 8374
Ōpunakē LibraryPlus	Napier Street Ōpunakē Telephone Fax	0800 111 323 06 761 7039
Pātea LibraryPlus	Egmont Street Pātea Telephone Fax	0800 111 323 06 273 8340
Waverley LibraryPlus	Weraroa Road Waverley Telephone Fax	0800 111 323 06 346 6052

i-SITE High Street
Hāwera
Telephone 06 278 8599
Fax 06 278 6599

TSB HUB Camberwell Road
Hāwera 4610
Telephone 06 278 0646

Hāwera Aquatic Centre Waihi Road
Hāwera 4610
Telephone 06 278 0021
Fax 06 278 0022

GENERAL INFORMATION

Bankers Westpac Trust
PO Box 83
Hāwera 4640

Auditors Audit New Zealand, Palmerston North,
on behalf of the Auditor General

Solicitors Auld Brewer Mazengarb and McEwen
9 Vivian Street
New Plymouth

C & M Legal – The Litigation Experts
9 Vivian Street
New Plymouth

Simpson Grierson
HSBC Tower 195 Lambton Quay
Wellington 6011

Postal Address South Taranaki District Council
Private Bag 902
Hāwera 4640

Website www.southtaranaki.com

