SOUTH TARANAKI

THE MOST LIVEABLE DISTRICT

Te Kaunihera ō Taranaki ki Te Tonga
South Taranaki District Council

2022/23

Pūrongorongo ā tau
Annual Report

www.southtaranaki.com/annualreport

Introduction
Mihi

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

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

Ko wai tērā, ko Taranaki ki te Tonga.

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

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

Ki a tātou ngā uri o Tiki, ki ngā 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 to Tonga. Kia whai nei I ngā wawata kia pākari ai te rohe.

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

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

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

Who are we, South Taranaki.

To those spirits, who have passed beyond, you who cloak our mountain, Pukehaupapa, Pukeonake, rest in peace. Go beyond the veil with the protection of peace. To the ancestral home of us, the people.

Return to Hawaiki nui, Hawaiki roa and Hawaiki pāmamao.

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

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

Ihirangi

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Te reo maioha ā te Koromatua me te Tumu Whakahaere

Mayor and Chief Executive's Message

Welcome to the South Taranaki District Council's (STDC) Annual Report 2022/23 where we look back on the last financial year (1 July 2022 to 30 June 2023) and report on how we performed against the objectives and priorities we set in our 2022/23 Annual Plan (Year 2 of our 2021-2031 Long Term Plan).

The 2022/23 financial year was a challenging one, characterised by global instability and a sluggish domestic economy. The war in the Ukraine, with its associated effects on global oil and food production, had a negative impact on financial markets. In addition, a tight domestic labour market and ongoing COVID-19 supply issues saw significant inflationary pressures impact the council with higher-than-expected interest rates and contractor costs particularly in the roading and construction sectors.

As a result, the Council finished the year with a modest $768,000 deficit after unbudgeted adjustments. The main reasons for the deficit were a $4.3 million increase in (non-funded) depreciation arising from an increase in the value of Council's assets, increases in contractor costs ($2.4 million over budget), interest rates ($1.34 million over budget) and $2.7 million of unbudgeted repairs to our roading infrastructure caused by five severe weather events.

The 12 months to the end of June 2023 saw progress made on a number of projects we undertook in order to achieve our vision of making South Taranaki the most liveable district

Key features/highlights of 2022/23:

Construction started on Te Ramanui o Ruapūtahanga, the District's new Library, Culture and Arts Centre, and is expected to be complete by August 2024.

Stage 1 development at the South Taranaki Business Park (Installation of a new water main) was completed and work started on stage 2. Stage 2 involves roading and three waters infrastructure upgrades to Fitzgerald Lane, Little Waihi Road, Kerry Lane and a portion of SH 3.

Co-design teams were established, and draft plans developed for the Waverley, Ōpunakē, and Eltham town centre upgrades. Physical work has started on some aspects of the upgrades in Eltham at Bridger Park and Waverley with the Kiwi sculpture installation.

Council partnered with Bizlink Hāwera (the Hāwera Business Association) to establish a co-working, business innovation and enterprise hub (Te W'anake – The Foundry), in Hāwera in February 2023.

90% of the 10.4km Nukumaru Station Road extension project and approximately 80% of the new $4.2 million Waimate West reservoir was complete with the remainder of both projects being finished in November 2023.

Residents on lower Turuturu Road, Hāwera have an improved water supply, with the installation of a new $1.15 million watermain.

The Normanby to Hāwera pathway (along Ketemarae and Glover Roads) was completed.

In June 2022 Council signed a partnership agreement with Te Korowai o Ngāruahine Trust to investigate the feasibility and ongoing viability of establishing a combined multi-purpose, multi-use Iwi and community facility in Manaia.

Following completion of a feasibility study three companies have been shortlisted to build and operate a regional organic materials recovery facility in South Taranaki.

Stage 2 of Aotea Utanganui – Museum of South Taranaki was completed. Stage 2 consists of a new architecturally designed building to display large collection items, with additional storage space and a workshop.

Council's Interim Speed Management Plan which reduced speed limits around schools to 30km/h permanent speed limits outside all urban schools, and 60km/h permanent speed limits with a 30km/h speed limit during school hours outside rural schools was completed and approved by Waka Kotahi.

The year also saw a new Council elected with the triennial local authority elections held in October

Te reo maioha ā te Koromatua me te Tumu Whakahaere

Mayor and Chief Executive's Message

2022. This term's Council included an additional seat introduced following the incorporation of two Māori wards, Te Kūrae and Te Tai Tonga, each with one councillor, and four general wards – Taranaki Coastal (two councillors), Eltham-Kaponga (two councillors) Te Hāwera (five councillors) and Pātea (two councillors). The four community board wards remained unchanged.

The Government changed direction again on its three waters reforms during the year, with the major change being a move from four water services entities across the country to ten. This means there will be one entity for Taranaki, which is expected to take effect from 1 April 2025.

According to our annual independent survey, satisfaction with Council services remains high with 89% of residents happy with the overall service the Council provides and 92% believing the Council is moving in the right direction. The services that had the lowest satisfaction rates were the condition of roads (58% satisfaction) and animal management (73% satisfaction).

It has been a challenging year both financially (economic climate) and politically (local government reforms) and some difficult decisions will need to be made in the coming months. However, being financially sound and with good levels of community satisfaction this Council is well placed to meet those challenges head on.

It is our privilege to present the Council's 2022/23 Annual Report.

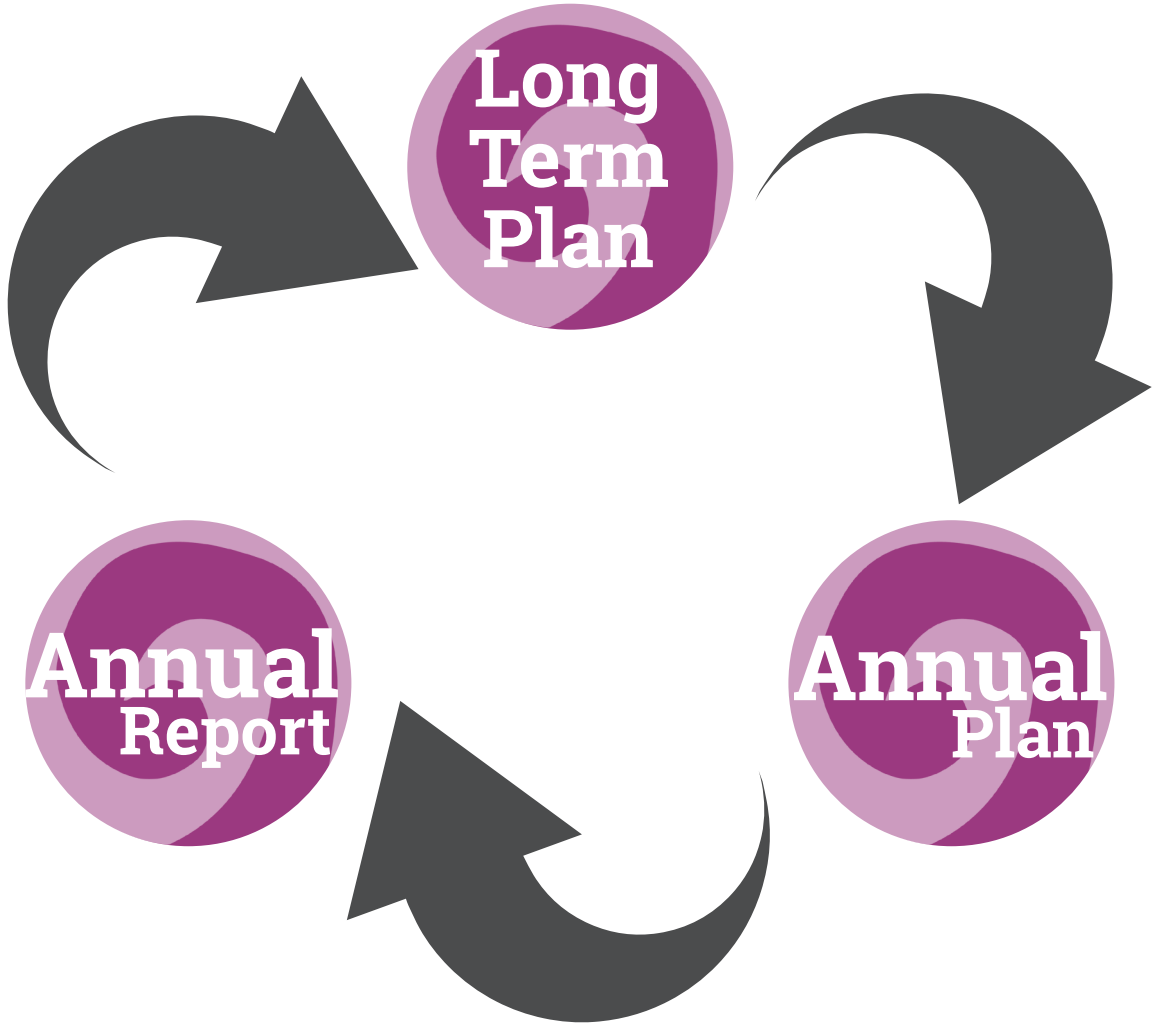
Phil Nixon
Koromatua o Taranaki ki te Tonga
South Taranaki Mayor

Fiona Aitken
Tumu Whakahaere
South Taranaki District Council Chief Executive

Te Hōtaka Anga Whakamua, Te Hōtaka ā-Tau me te Wātaka Pūrongo -Tau

The LTP, Annual Plan and Annual Report Cycle

The **LTP** sets out our strategic direction and work 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.



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.

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

Whakaea ō mātou Whainga Kaunihera

Achieving our Council Outcomes

The purpose of local government as outlined in the Local Government Act 2002 is:

a. to enable democratic local decision-making and action by, and on behalf of, communities; and
b. to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

We work towards this purpose through our Vision, Community Outcomes and Community Priorities, and uses these to guide us when making decisions, developing policies, strategies or determining priorities regarding the activities and services we provide.

Our outcomes fall under four main headings:

Vibrant South Taranaki

Cultural Well-being

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

Prosperous South Taranaki

Economic Well-being

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

Together South Taranaki

Social Well-being

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

Sustainable South Taranaki

Environmental Well-being

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

Whakaea ō mātou Whainga Kaunihera

Achieving our Council Outcomes

Activity	Outcomes				
Democracy and Leadership		✓	✓	✓	✓
Water Supply			✓		✓
Stormwater			✓		✓
Wastewater			✓		✓
Solid Waste			✓		✓
Roading and Footpaths		✓	✓		
Community Facilities		✓	✓	✓	✓
Arts and Culture		✓	✓	✓	✓
District Economy		✓	✓		
Community Development		✓		✓	✓
Environmental Sustainability			✓	✓	✓
Regulatory Services					✓
Coastal Structures		✓	✓		✓

SOUTH TARANAKI

THE MOST LIVEABLE DISTRICT

Section 1

He arotakenga o te tau
The Year in Review

The Year in Review

Vibrant South Taranaki

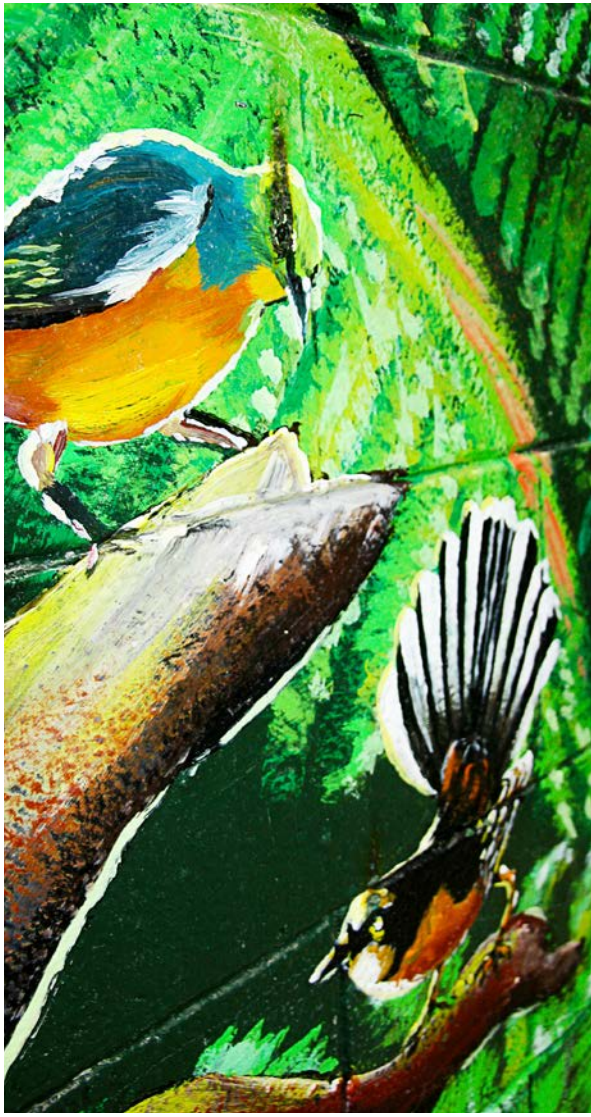
Cultural Well-being

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

Project/Priority	Progress
Develop an Iwi-Council Partnership Strategy.	AATEA Consultants were engaged to facilitate the development of the Iwi-Council Partnership Strategy. A draft Strategy has been presented to South Taranaki's four Iwi (Rūnanga) and the Council for feedback. The Strategy will be consulted on alongside the 2024-2034 Long Term Plan in early-2024
Te Ramanui o Ruapūtahanga, South Taranaki's new Library, Culture and Arts Centre	Construction work began and is making good progress with a total of $4.2 million spent in this financial year. The facility is due to open in August 2024.
Continue to hold community events across the District such as Arts in the Park, Sounds on the Sand, Movies in the Park, Elektra.	A full year of events were delivered at different venues across the District, including the regular events such as Arts in the Park, Sounds on the Sand, Drive-in Movies, School holiday programmes and Christmas Cabaret. Whilst some outdoor events were impacted by weather, only one event (Elektra 2022) was cancelled due to adverse conditions.
Earthquake strengthening and upgrades to Eltham Town Hall.	No work on Earthquake Strengthening and upgrades occurred at the Eltham Town Hall in this financial year. Design work for earthquake strengthening was undertaken, with cost estimates exceeding the amount budgeted. It has been recommended community engagement be undertaken on the proposal for earthquake strengthening and some additional upgrade work as part of the 2024-2034 Long Term Plan. The amount budgeted in the 2022/23 financial year will be carried over to ensure already approved funding is retained. Planned work to upgrade the fire sprinkler system was also deferred in 2022/23 as the original estimated scope of works and associated costs increased. This work is scheduled for 2023/24.
Replace or strengthen and refurbish the Manaia War Memorial Hall and Manaia Sports Complex.	The Council signed a partnership agreement with Te Korowai o Ngāruahine Trust to undertake public engagement and a feasibility study to investigate the viability of establishing a combined multi-purpose, multi-use Iwi and community facility in Manaia. The Toi Foundation funded the feasibility study.

The Year in Review

Project/Priority	Progress
Provide more resources in the Parks team by employing someone to co-ordinate volunteers and volunteer groups.	No work on Earthquake Strengthening and upgrades occurred at the Eltham Town Hall in this financial year. Design work for earthquake strengthening was undertaken, with cost estimates exceeding the amount budgeted. It has been recommended community engagement be undertaken on the proposal for earthquake strengthening and some additional upgrade work as part of the 2024-2034 Long Term Plan. The amount budgeted in the 2022-23 financial year will be carried over to ensure already approved funding is retained. Planned work to upgrade the fire sprinkler system was also deferred in 2022/23 as the original estimated scope of works and associated costs increased. This work is scheduled for 2023/24.



The Year in Review

Prosperous South Taranaki

Economic Well-being

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

Project/Priority	Progress
Develop the South Taranaki Business Park.	The Council has spent $3.89 million on the South Taranaki Business Park in this financial year bringing the total cost of the project to date to $4.22 million. Infrastructure is being delivered in three stages: • Stage one – lay a watermain in the Business Park is complete. • Stage two – roading infrastructure upgrades to Fitzgerald Lane, Little Waihi Road, Kerry Lane and a portion of SH3 is underway. These infrastructure upgrades are expected to be complete by 2026. • Stage three – expand the Business Park's footprint through additional roading and three waters infrastructure. The construction programme is on schedule with ongoing work on roading, three waters and other services in the Business Park area.
Undertake town centre upgrades in Pātea, Waverley Manaia, Ōpunakē and Eltham.	Work has commenced on the Waverley town centre revitalisation with $155,000 towards the cost of the "Kiwi" sculpture, and $80,000 on plans for the main street, wayfinding signage and public amenities. Co-design teams have been established for the revitalisation of the Waverley, Eltham and Ōpunakē town centres. Concept and planning designs for Eltham have been drafted for wayfinding signage and the Stark Park green space at a total cost of $16,000. $33,000 has been spent on upgrades in Bridger Park. Work is beginning in Ōpunakē with $10,000 spent on town centre gardens. Minimal funding has been spent in Pātea and Manaia to date.
Complete Nukumaru Station Road extension.	Approximately 90% of this project was completed by the end of June 2023. Poor weather conditions made site works difficult, and it is expected to be completed by November, depending on the legislative process and Kiwirail approval to access the road. Expenditure for the financial year was $4.13 million, which brought the total spent to $10.51 million.

He arotakenga o te tau

The Year in Review

Project/Priority	Progress
Subsidise rates on average by $6.5 million pa using earnings from the Long Term Investment Fund.	During the year the Council withdrew $5.8m from the LTIF to subsidise rates.
Continue work on the Hāwera town centre upgrade.	The Hāwera town centre upgrade was deferred, and the funding was used to assist with increased costs for building Te Ramanui o Ruapūtahanga. The increases were due to COVID-19-related shortages of supplies and steep increases in construction costs. As part of our annual road rehabilitation programme, the 25-year-old asphalt on High Street, Hāwera was replaced between Albion Street and Argyle Street.
Develop a District business innovation and enterprise hub	The Council partnered with Bizlink Hāwera (the Hāwera Business Association) to develop the business innovation and enterprise hub. The Hub, named Te W'anake – The Foundry, opened in February 2023. The project was a collaboration with Bizlink Hawera, who contributed $88,000 towards these establishment costs.

The Year in Review

Together South Taranaki

Social Well-being

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

Project/Priority	Progress
Continue water treatment enhancement and water pressure improvements in Pātea (Total budget included carry-overs of $1,783,489 & 2022/23 budget of $665,481).	Projects began before the end of the financial year and expenditure for the year was $228,435.
Waimate West new reservoir.	Completion of the reservoir was delayed by bad weather. It was approximately 80% complete at the end of June and is expected to be completed by November 2023. Expenditure for the financial year was $2.016 million, bringing the total spent so far to $3.95 million of an approved budget of $4.21 million.
Wastewater reticulation rehabilitation $1.3 million.	$1.16 million worth of projects were spent on wastewater reticulation renewals.
Spend an average of $31.6 million pa on the road network including $2.7 million on pavement rehabilitation of our roads	We spent $35.51 million on the road network (this included operational and capital works), and $2.9 million on pavement rehabilitation.
Undertake a digital transformation programme – ($3 million over five years).	A Digital Transformation Strategy had been developed and a contract has been signed for the replacement and implementation of an ERP (core business system) system. The project is due to start in early 2023/24.

The Year in Review

Project/Priority	Progress
Implement our Environment and Sustainability Strategy: • Develop an energy and carbon reduction plan and climate change risk assessment • Develop a District-wide climate change adaptation plan and support climate change research relevant to the District • Review and renew our 2018 Waste Management and Minimisation Plan • Progress development of a regional organic waste facility or facilities • Undertake biodiversity restoration and protection work in Council parks and reserves	The Council has yet to commence work on the energy and carbon reduction plan, however work on climate change risk assessment has begun. The Waste Management and Minimisation Plan was reviewed in preparation for public for consultation. We received funding through the Government's waste levy fund to review the Plan and undertake a regional waste assessment. Biodiversity restoration and protection work in Council parks and reserves has begun. After completing a feasibility study for the construction, operation and management of an organic materials recovery facility the project moved to the next stage, including three industry partners along with the New Plymouth and Stratford District Councils.
Maintain Pātea Moles.	Stage 1 of the remedial work to the western mole was completed. Stage 2 (eastern mole) has been deferred pending further advice from the Assets Team.

Sustainable South Taranaki

Environmental Well-being

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

He arotakenga o te tau
Highlights

Community Services

Eltham Town Revitalisation

The Eltham Town Revitalisation Co-design team identified Bridger Park as an initial area of focus, work has been carried out to improve access to/from the Park. The co-design team then began planning for development of the town's wayfinding and signage.

Ōpunakē LibraryPlus Privacy Booth

A privacy booth was installed at the Ōpunakē LibraryPlus as part of the banking hub operated by the New Zealand Banking Association. This soundproof, private booth has automatic lighting, air conditioning and a plug for laptops and devices so customers can meet confidentially with a banking representative.

Housing for the Elderly

We purchased two residential properties in Furlong Street and Princes Street, Hāwera as potential sites for future housing for the elderly. The two at Furlong Street are next to a property we bought several years ago. The last tenant moved out of 8 King Street Ōpunakē. These five units are no longer fit for purpose and did not meet tenancy standards, so they were not re-tenanted. The buildings on these three sites will be removed, and the properties will be tidied up while we work towards developing a future housing strategy.

Events

The wet and cold weather was the main reason for small numbers of people attending the two June 2022 Drive-in Movies events. Our events team organised Drive-in Movie showings in late March 2023 at the Eltham Primary School and Manaia Domain, and the numbers of people were well up on previous year with around 150 at each venue

Public Toilets

The toilet block next to the Sinclair Electrical and Refrigeration Event Centre was demolished and replaced with four new unisex cubicles, including an accessibility toilet. A large-scale mural was designed and painted on the new toilet block by local artist Chris Fuller.

South Taranaki Enterprise Hub

The Council partnered with Bizlink Hāwera (the Hāwera Business Association) to develop the business innovation and enterprise hub. The Hub, named Te W'anake – The Foundry, opened in February 2023. This initiative aims to support social and economic growth by providing a range of services such as co-working space, enterprise incubation, seed funding, training, and events. The Hub features private offices, zoom/phone booths, meeting and event spaces and permanent and casual desks.

He arotakenga o te tau
Highlights

Aotea Utanganui Stage 2

Stage 2 of the Aotea Utanganui – Museum of South Taranaki development was completed during the year. This stage consists of a large building that houses big display items, storage space and a workshop

Community Pools

We were unable to staff some of our community swimming pools during February and March as students headed back to universities. This, and staff illnesses, meant we had to close several pools on some days.

Empower Youth

A youth committee (Empower Youth) was set up, following an initiative from Te PaePae O Aotea students. One of their goals was to increase youth engagement with the Council and community through hosting events, community projects, and supporting the Council's community events

Infrastructure Services

Three Waters Reforms

The Government changed direction on its three waters reforms during the year, with the major change being a move from four water services entities across the country to ten. This means there will be one entity for Taranaki, which is expected to take effect from 1 April 2025. According to the Government, the intention is to strike the right balance between economic and financial sustainability and strengthens the links between local communities and their water services. A great deal of work has been involved in the transition of three water services to a new entity, including the effects of the Three Waters proposal on our finances and uncoupling three waters from our systems.

We appointed a Three Waters Transition Manager to assist us with the huge amount of work involved in the change, including "Operational Stocktake" and 'Legal Transfer" requests for information from the National Transition Unit. This position is funded from the Government's transition funding. We have attended several meetings with the other two councils to start planning for the new arrangements.

Flood Damage

Following five severe weather events during the 2022/23 financial year, considerable damage occurred on our roading infrastructure especially in the Moeawatea, Tāngāhoe and Waitōtara Valleys and Mangamingi Saddle. The total repair cost was around $2.7 million.

Turuturu Road Water Supply

Residents on lower Turuturu Road, Hāwera now have an improved water supply, with the installation of a new $1.29 million watermain. Upgrading the available water supply along Turuturu Road and

Highlights

neighbouring Ōhangai Road was initially part of our 2021-2031 Long Term Plan, but the Longview residential development helped bring that work forward. The project was a collaboration between the Council and the developers, who contributed more than $425,000 towards the cost of the new watermain.

Leak Detection and Inflow and Infiltration

Council's contractor undertook leak detection over the whole of Ōpunakē water supply network, using acoustic and thermal imagery technology, in order to target repairs to water mains and fittings. The Ōpunakē, Manaia and Eltham wastewater networks were surveyed with CCTV to identify areas of inflow and infiltration into sewer mains, where repairs or replacement are required.

Eltham Wastewater Treatment Plant

The Eltham wastewater treatment site overflow pond wall has been raised to enable more storage of polluted stormwater and groundwater that makes its way into the town's sewers, which in turn can overload treatment and pumping to Hāwera. This should also help minimise discharge of sewage into the adjoining Inaha stream.

South Taranaki Business Park

A new watermain was installed along Waihi Road, Hāwera from Glover Road to Fitzgerald Lane and Kerry Lane, and an additional main was installed on County Drive to link with the Business Park. Work commenced on a 360m roading extension on Fitzgerald Lane, a 170m portion of new road and underground services and earthworks to enable 13 stage one lots, many of which are already tenanted. This provides infrastructure and improved access for newly established and incoming businesses on land owned by a local developer. An upgraded intersection at Fitzgerald Lane and Little Waihi Road is underway and the Business Park construction programme will continue this summer. The Council is supporting active developers to stimulate continued demand in commercial and industrial lots as the project progresses.

Nukumaru Station Road

Approximately 90% of this project was completed by the end of June 2023. Poor weather conditions made site works difficult, and it is expected to be completed by November, depending on the legislative process and Kiwirail approval to access the road. The new portion of the road has been named Te Ranganuku Road, which was gifted by Te Kāhui o Rauru.

Hāwera CBD Road Resurfacing

As part of our annual road rehabilitation programme, the 25-year-old asphalt on High Street, Hāwera was replaced between Albion Street and Argyle Street.

At the same time, the carriageway (not the parking areas) on Princes St was asphalted between High Street and Grey Street.

Interim Speed Management Plan

We began work on our Interim Speed Management Plan with help from GHD Consultants. The plan concentrated on reducing speeds around our schools, and was out for consultation during March 2023. The Council agreed to provide a consistent approach to speed limits around schools. Rural schools will have a permanent speed limit of 60km/h and variable speed limit of 30km/h during school hours (8.30am to 3.30pm) and urban schools will have permanent speed limit of 30km/h. The final plan was approved by Waka Kotahi in May 2023

Environmental Services

Climate change Risk Assessment

Having completed stage 1 of the Climate Change Risk Assessment, we moved to stage 2. This stage focused on a detailed risk assessment involving engagement with relevant Council teams, prioritisation/ranking of climate risks, and adaptation planning to address those risks.

One Billion Trees

We continued with our part of the One Billion Trees Programme during the winter. This consisted of infill planting at last year's site, between the Pātea Cemetery and landfill, and planting of Harbour Endowment land at the southern end of York Street, near the Pātea wastewater treatment plant.

Waste Minimisation

In the lead up to the review of our Waste Management and Minimisation Plan (WMMP), we collaborated with the New Plymouth and Stratford district councils to co-fund and carry out a Solid Waste Assessment, which we are required to do before we review the WMMP.

Organic Materials Recovery Facility

The three Taranaki district councils completed a feasibility study for the construction, operation and management of an organic materials recovery facility. Workshops were held with elected members on the study's outcomes. An expression of interest (EOI) was run at the beginning of 2023 to investigate interest and capacity for an organic material processing facility or network of facilities throughout Taranaki. The evaluation panel considered all 19 EOIs which were received from a large cross section of both national and international companies. From this evaluation, a short list of three companies were chosen to move through to the next phase. Currently a memorandum of understanding is being drafted between the project partners

Building Control Accreditation

The Building Control Team underwent the biannual IANZ audit in the last week of June. We maintained our low-risk status, which means we do not require any special audits/assessments within the next two years. The non-compliances we received are straightforward to resolve. The next step for our Building Control Authority is to produce an action plan, to be accepted by IANZ, by the end of July and continue to work on rectifying and improving.

Better Off Funding

The Council agreed to accept Tranche 1 of the Government's 'Better Off' funding for local government at the Policy and Strategy Committee meeting on 25 July. The Environment and Sustainability Team began working on a proposed programme of works, with a focus being an extensive upscaling of our reforestation project, with the aim of making the Council a carbon positive organisation by 2035. However, approval was requested and granted to use some of this funding for the implementation of the Digital Transformation Strategy and District Plan change.

National Policy Statement

The Government released its National Policy Statement for Highly Productive Land in September 2022. The policy aims to direct new housing development away from highly productive land to

to prevent inappropriate subdivision use and development and ensure that highly productive land is protected for use in land-based primary production now and for future generations. This means we need to have regard to the relevant provisions when considering resource consent applications or plan change applications on land identified as highly productive. We are part of a working group (Taranaki Regional Council and district councils) to help each other through the requirements and to ensure our messaging across the Region is the same. As a result of the Policy Statement, we expected a decline in the numbers of rural subdivision applications, but this has not been the case so far.

Resource Management Reforms

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

Corporate Services

Representation Review and Elections

The new representation arrangements took effect at the October 2022 election, with a mayor elected at large, two Māori wards, Te Kūrae and Te Tai Tonga, each with one councillor, and four general wards – Taranaki Coastal (two councillors), Eltham-Kaponga (two councillors) Te Hāwera (five councillors) and Pātea (two councillors). The four community boards with four members and an appointed councillor remain unchanged.

A new Council was elected, but by-elections were needed to fill a vacancy in Te Hāwera Ward and one on the Pātea Community Board. The inaugural Council meeting was held at the newly completed Kānihi Māwhitiwhiti Pā on Hastings Road, Ōkaiawa.

Iwi-Council Partnership Strategy

We made good progress on the development of an Iwi-Council Partnership Strategy during the year, although Hawke's Bay-based AATEA Consultants, who were engaged to facilitate and produce the Strategy, were affected by Cyclone Gabrielle and this caused some delays. AATEA delivered the basis of a strategy and Council staff have been working on refining it.

Local Government Reform

The Government appointed Panel charged with the Review into the Future for Local Government released its interim report in October 2022 and its final report in June 2023. The final report made 17 recommendations across five themes:

- Embedding local government's purpose and wellbeing focus
- Growing authentic Te Tiriti-based partnerships
- Increasing funding
- Strengthening local democracy and leadership
- System renewal

Section 2

Pūrongo Pūtea
Financial Commentary

Pūrongo Pūtea

Financial Commentary

Highlights

Net surplus/(deficit)
($768,000)

Total Assets
$1,439 million

Total Liabilities
$140 million

Total Equity
$1,299 million

Statement of Financial Performance

The Council finished the year with a $768,000 deficit after unbudgeted adjustments (gains on derivative contracts $2,283,000 and disposal of assets $316,000) against a budgeted surplus of $5,936,000. The main contributors to the variance are as follows:

Revenue

Total revenue was $6,797,000 over budget. Subsidies and grants were under budget by $475,000 mainly due to delay in receiving Te Ramanui o Ruapūtahanga grants from Ministry of Business Innovation and Employment (MBIE). The Long Term Investment Fund (LTIF) performed better than expected (by $925,000) due to stronger market conditions. The gain on derivatives ($2,283,000) and vested assets ($2,145,000) were unbudgeted.

Expenditure

This year's total expenditure was $13,502,000 over budget mainly as a result of the increase in depreciation on Council's assets ($4,295,000), contractor costs ($2,400,000), maintenance required as a result of weather events and flood damage ($1,900,000), and increased interest costs ($1,346,000).

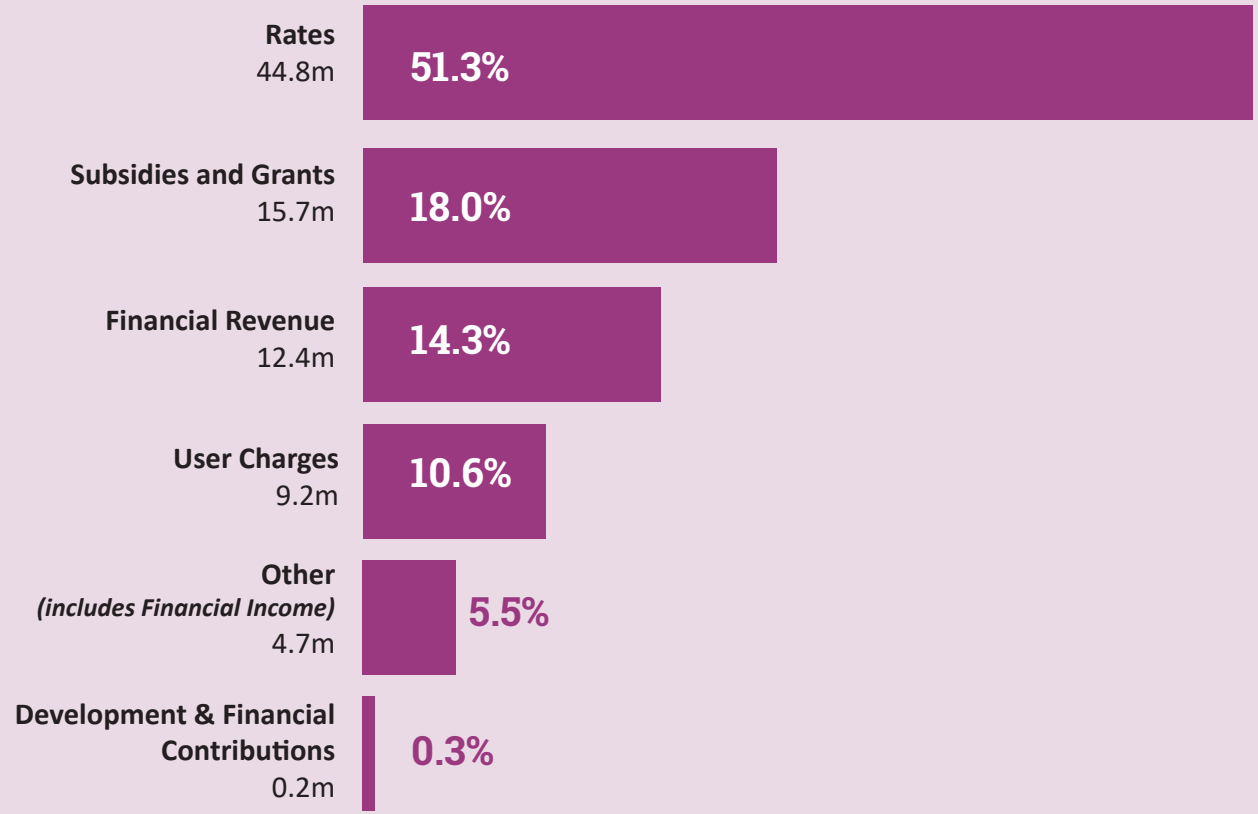
Credit Rating

Standard & Poor's completed a review of our credit rating in May 2023. We remained an AA rated Council with Stable outlook. In their report, S&P stated that "South Taranaki's exceptional liquidity and solid financial management are balanced against its large after-capital-account deficits and a high gross debt burden. New borrowing to finance these deficits will see the Council's gross debt rise to about 220% of operating revenues by fiscal 2025 (year ending June 30, 2025), up from 182% at the end of fiscal 2021. South Taranaki's liquidity is bolstered by access to large holdings of financial assets in the Long-Term Investment Fund (LTIF)."

Pūrongo Pūtea

Financial Commentary

Operating Revenue - $87.2m



Pūrongo Pūtea

Financial Commentary

Statement of Financial Position

Net assets as at 30 June 2023

$ million	Actual 2022/23	Budget 2022/23	Actual 2021/22
Total assets	$1,439m	$1,152m	$1,427m
(Less) total liabilities	$140m	$151m	$128m
Net assets	$1,299m	$1,001m	$1,299m

Long Term Investment Fund (LTIF)

The value of the LTIF at 30 June 2023 increased to $144.84 million ($143.5 million in 2022), which included internal borrowing of $14.2 million ($15.6 million in 2022) after allowing for the withdrawal of the annual rates subsidy. The balance of the LTIF increased mainly because of better market conditions compared to last year. The market conditions continue to be volatile due to inflationary pressures, high interest rates and on-going war between Russia and Ukraine

Term Debt

The Council's total borrowing increased to $136.14 million ($128.97 million in 2022) which included $14.24 million of internal borrowing ($15.57 million in 2022).

External Funds

The budgeted return was $9.20 million ($0.61 million of interest revenue from internal borrowings) but the LTIF received a positive return of $10.12 million ($0.61 million of interest revenue from internal borrowings) in the 2022/23 year. During the year the Council withdrew $5.79 million for the annual rates subsidy and received $1.34 million for internal loan repayments and $0.61 million for the interest on internal loans.

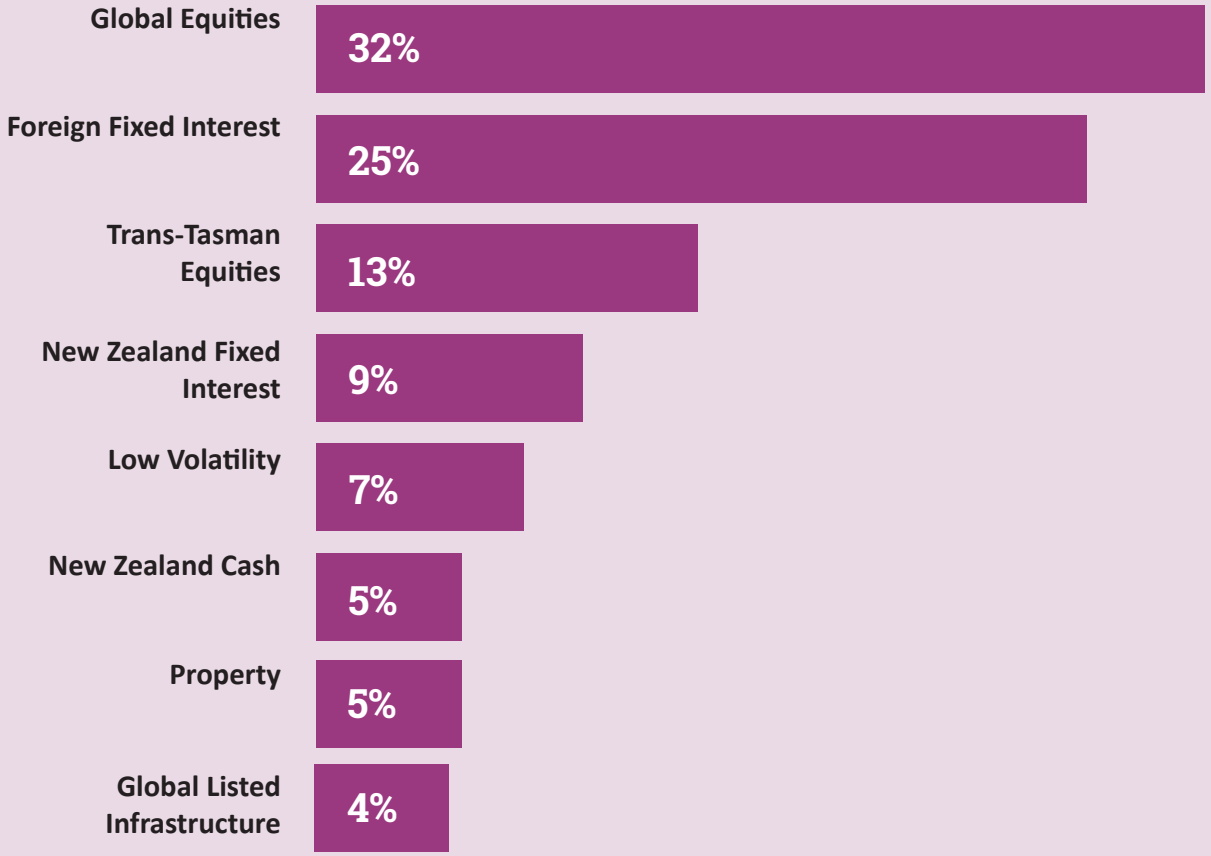
Financial Performance and Movements in Equity

	Actual 2022/23	Budget 2022/23	Actual 2021/22
Operating Revenue	$87.26m	$80.47m	$75.63m
Operating Expenditure	$88.03m	$74.53m	$74.81m
Net operating surplus/ (deficit)	$0.77m	$5.94m	$0.82m
Net Increase/(Decrease) in value of assets	$10.84m	$12.28m	$343.41m
Total Movements in Equity	($0.43m)	$21.57m	$353.09m

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

Financial Commentary

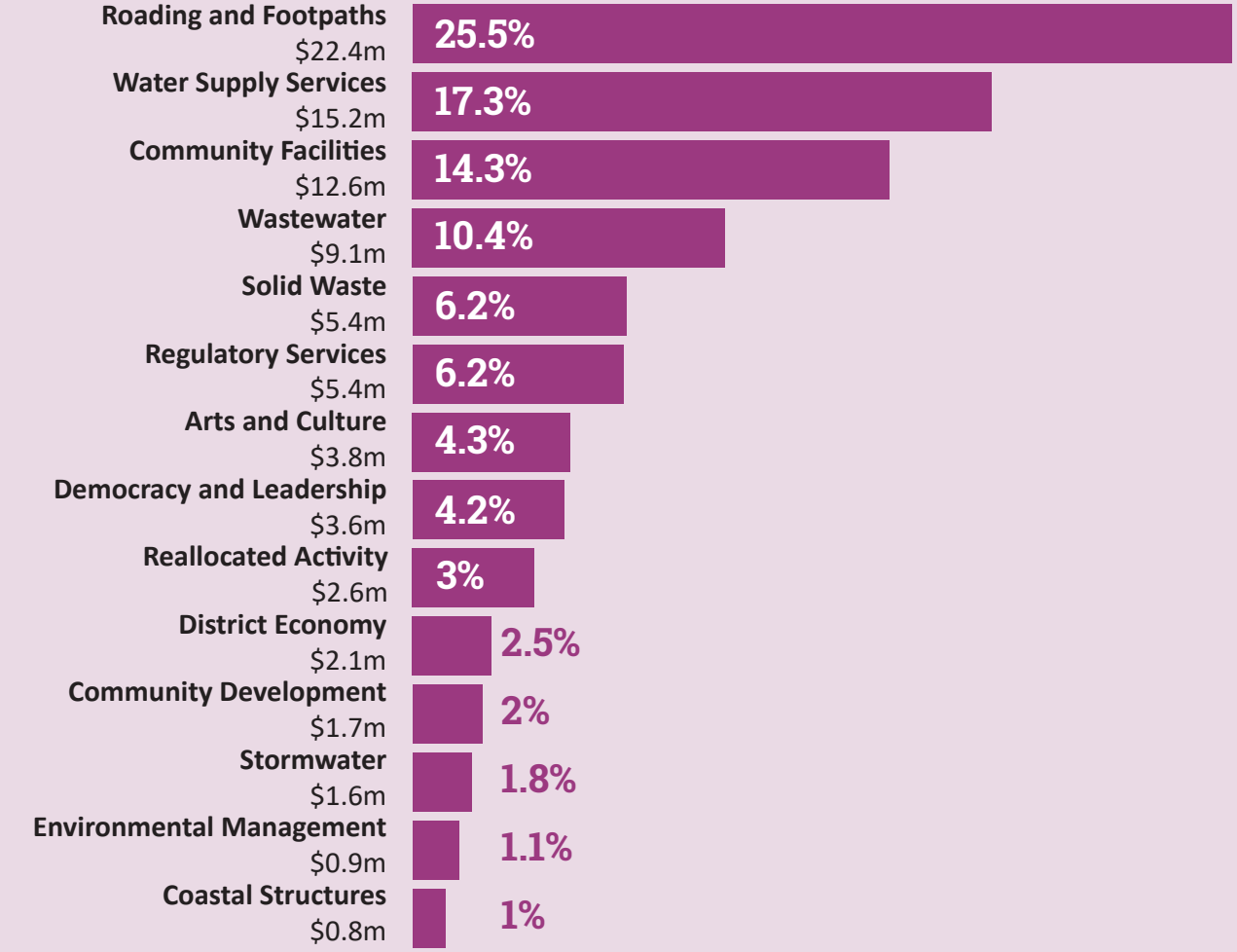
Fund Analysis



Pūrongo Pūtea

Financial Commentary

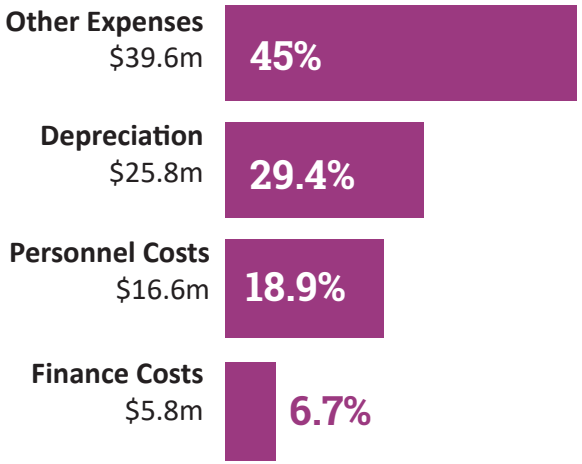
Operating Expenditure - $88m



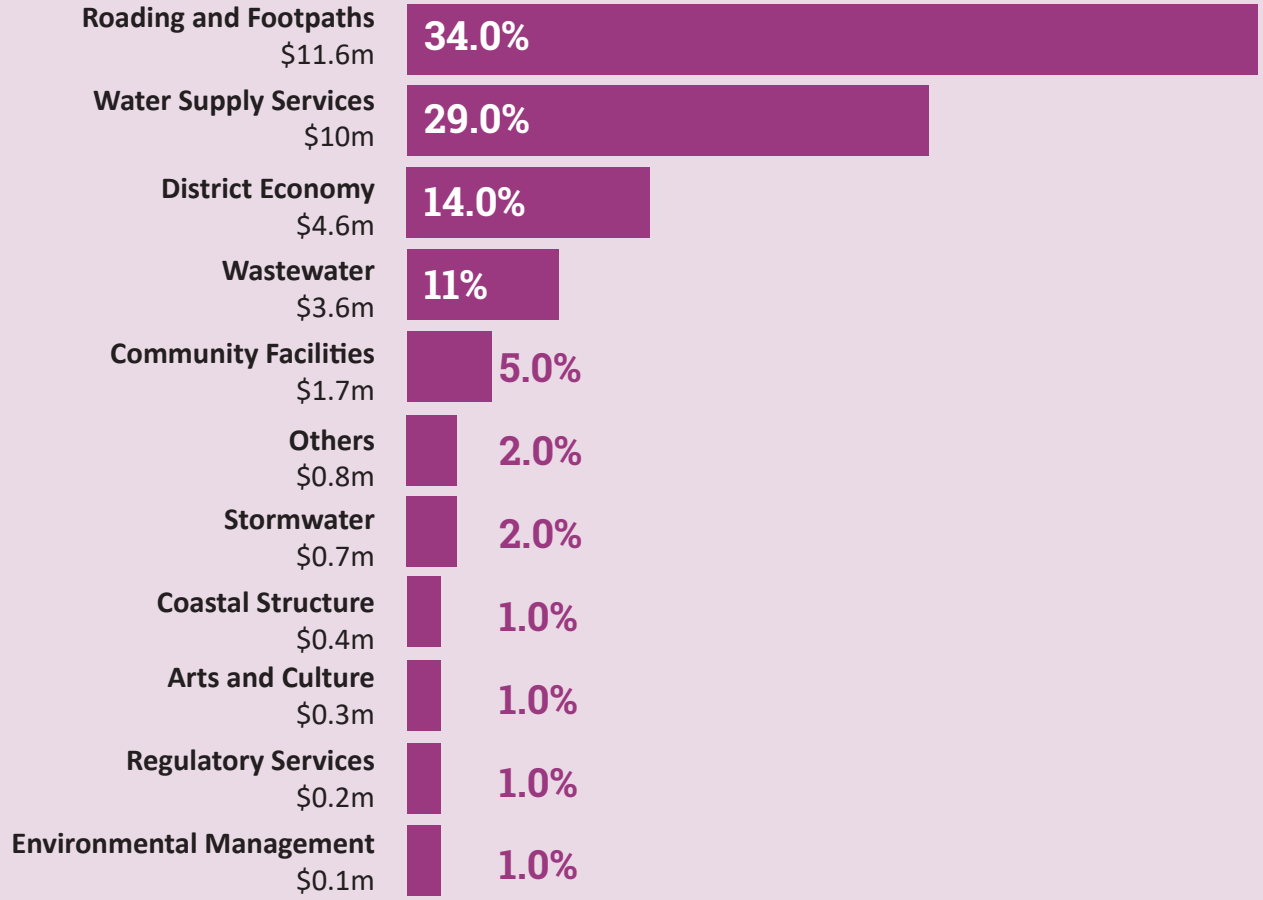
Pūrongo Pūtea

Financial Commentary

Expenditure by Nature - $88m



Capital Expenditure - $34.5m



Tauākī Tūtohu me te Haepapa

Statement of Compliance and Responsibility

Compliance

1. The Council and Management of the South Taranaki District Council confirm that all of 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 2023 fairly reflect the financial position and operations of the South Taranaki District Council for the year.

Phil Nixon
Koromatua o Taranaki ki te Tonga
South Taranaki Mayor
30 October 2023

Fiona Aitken
Tumu Whakahaere
South Taranaki District Council Chief Executive
30 October 2023

Pūrongo Kaitātari Kaute Motuhake

Independent Auditor's Report

To The Readers Of South Taranaki District Council's Annual Report For The Year Ended 30 June 2023

The Auditor-General is the auditor of South Taranaki District Council (the 'District Council') and its subsidiary (the Group). The Auditor-General has appointed me, Bennie Greyling using the staff and resources of Deloitte Limited 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 30 October 2023. This is the date on which we give our report.

Opinion on the audited information

Unmodified opinion on the audited information, excluding the activity statements

In our opinion:

- the financial statements on pages 119 to 170:
- present fairly, in all material respects:
- the District Council and Group's financial position as at 30 June 2023;
- the results of its 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 117, 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 statement about capital expenditure for each group of activities on pages 43 to 115, 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 43 to 115, 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.

Qualified opinion on the activity statements

In our opinion, except for the possible effects of the matter described in the "Basis for our qualified opinion" section of our report, the activity statements on pages 37, 46 to 48, 52 to 53, 56 to 57, 62 to 63, 68 to 69, 73, 75, 77 to 78, 80, 82, 85, 87, 90, 92, 95, 98 to 99, 101, 103 to 104, 107 to 109 and 112:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2023, 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

Pūrongo Kaitātari Kaute Motuhake
Independent Auditor's Report

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 170 to 176, 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.

Basis for our qualified opinion

Our work was limited with respect to the verification of the number of complaints for some services

The District Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. These mandatory performance measures include the number of complaints (per 1,000 properties connected) received about the following:

- drinking water clarity, taste, odour, pressure or flow, continuity of supply, and the District Council's response to any of these issues; and
- sewage odour, sewerage system faults and blockages, and the District Council's response to issues with the sewerage system.

These measures are important because the number of complaints is indicative of the quality of services received by ratepayers.

The Department of Internal Affairs has issued guidance to assist local authorities in applying the Rules, including on how to count complaints. Our audit testing found that the District Council has not been counting after-hours complaints in accordance with this guidance and that the District Council's method of counting was likely to have understated the actual number of complaints received in the current year and in the comparative year to 30 June 2022. Complete records for all after-hour complaints made to the District Council were not available and we were unable to determine whether the District Council's reported results for these performance measures were materially correct.

As a result, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the number of complaints reported against these performance measures.

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.

Emphasis of matter - The Government's three waters reform programme

Without further modifying our opinion, we draw attention to Note 30 on pages 169 and 170, which outlines developments in the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the Council as outlined in note 30 remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

Pūrongo Kaitātari Kaute Motuhake
Independent Auditor's Report

Emphasis of matter – Inherent uncertainties in the measurement of greenhouse gas emissions

The Council has chosen to include a measure of its greenhouse gas emissions in its performance information. Without further modifying our opinion and considering the public interest in the climate related information, we draw attention to page 107 of the annual report, which outlines the inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

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 statement of

Independent Auditor's Report

service provision, 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 based on the audit evidence obtained up to the date of our auditor's 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 audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

Our responsibilities arise from the Public Audit Act 2001.

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 28, 34 to 36, 38 to 42, 44 to 45, 50 to 51, 55, 59 to 61, 65 to 67, 71 to 74, 76, 78 to 82, 84 to 87, 89 to 91, 94 to 95, 97 to 100, 102, 104, 106 to 109, 111 to 112 and 114, 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, and we do not express any form of audit opinion or assurance conclusion thereon.

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 and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

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

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

SOUTH TARANAKI

THE MOST LIVEABLE DISTRICT

Section 3

Ā Mātou Awheawhe
Our Activities

Ā Mātou Awheawhe

Our Activites

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

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

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

Performance Measures

The performance measures in this Annual Report were adopted by the Council as part of the 2021-31 Long Term Plan. We get performance information from a wide variety of sources: Council systems such as the customer request management system, the finance system, databases for quality tests, satisfaction surveys and reports from external organisations (Taranaki Regional Council and Te Whatu Ora).

Satisfaction Surveys

We commission an independent resident satisfaction survey every year to find out what South Taranaki residents think of the Council's services and facilities. The survey for 2023 was conducted by Key Research using a sample of 423 residents over the age of 18 years and representative of the population in terms of ward, age and gender. The maximum margin of error was +/- 4.73% at the 95% confidence level.

The survey was conducted online between 22 February and 24 March 2023, with respondents being invited by mail to take part.

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

- Very satisfied
- Satisfied
- Neutral
- Dissatisfied
- Very dissatisfied

The performance measure results in this Annual Report that use Key Research survey results to gauge satisfaction combine the "very satisfied", "satisfied" and "neutral" responses unless otherwise stated. The detailed results are available on request.

Some in-house surveys are also conducted.

Te Poumanukura
Democracy and Leadership

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 their main purposes 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, we need 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.

Te Poumanukura

Democracy and Leadership

What we do

The Council has a Mayor elected across the District and 13 Councillors elected from six wards – Te Kūrae and Te Tai Tonga Māori Wards and the Taranaki Coastal, Eltham-Kaponga, Te Hāwera and Pātea General Wards. Each general ward has a community board with four members per board.

Councillors are the governing body for the Council and decide the levels and standards of the services it provides, determine policies for its activities, investments and 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 ensure local people have a voice on local issues and provide a direct link between the community and the Council. Another representation forum is Te Kāhui Matauraura, a Committee consisting of two members from each South Taranaki Iwi, the Mayor, Deputy Mayor and the Chair of the Environment and Hearings Committee. It can make recommendations to the Council. The four Community Boards and Te Kāhui Matauraura have discretionary funding for community projects and assistance, the total amount being determined by the Council.

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

Te Poumanukura

Democracy and Leadership

How we performed

Level of Service	Performance Measure	Actuals 2021/22	Target 2022/23	For the year ended 30 June 2023	Achieved
We make well informed decisions that support the current and future needs of the community					
Council decisions are made in the best interest of the community *(Performance Measure 2)*	(C) % of residents who agree decisions made by Council represent the best interests of the District.	Not achieved 67% (target ≥ 70%)	≥ 70%	Achieved (81%). The Annual Residents' Survey recorded that 81% of residents agreed that Council makes decisions that represent the best interests of the District.	✓
We engage with our community and provide opportunities to participate in decision-making					
Satisfaction with the opportunity to participate in Council decision-making processes *(Performance Measure 3)*	(C) % of residents who are satisfied or neutral with their opportunity to participate in Council decision-making processes	Achieved 84% (target ≥ 80%)	≥ 80%	Achieved (80%). The Annual Residents' Survey recorded that 80% of respondents were satisfied with the opportunities provided to participate in Council decision-making processes.	✓
We keep residents informed of Council activities through a variety of media					
Residents who know where to access Council information *(Performance Measure 4)*	(C) % of residents who know where to access Council information when they want it (website, newspaper, Libraries, Customer Services).	Achieved 86% (target ≥ 85%)	≥ 85%	Our new contractor failed to ask this question in our annual resident satisfaction survey, so we do not have this information. However over the last year we have grown our communication channels with the addition of a quarterly publication in the Ōpunakē and Coastal newspaper. Our social media presence has also grown with a 9% growth in Facebook followers (7,890) and a 39% growth in Antenno users (1,517).	
We have strong relationships with local Iwi and work together in a range of ways so that their perspectives inform our decisions					
Iwi representatives appointed to Iwi Liaison Committee/Council's Standing Committee *(Performance Measure 5)*	Iwi representatives are appointed to Te Kāhui Matauraura (previously the Iwi Liaison Committee) and the Council's standing committees.	Achieved (target 100%)	Achieved	Achieved Te Kāhui Matauraura has full membership and Iwi representatives were appointed to the Risk and Assurance Committee, Environment and Hearings Committee and the Infrastructure and Community Services Portfolio Groups.	✓

Note: The Annual Residents' Survey was undertaken in March 2023 and did not cover the entire 2022/23 financial year, however this would not significantly change the outcome of the survey due to fact that this survey covered April 2022 to March 2023, which is a full 12 months.

Te Kaupapa Here Whakawhanake Rahinga Iwi Māori kia Whakatakoto Whakataunga ā-Kaunihera

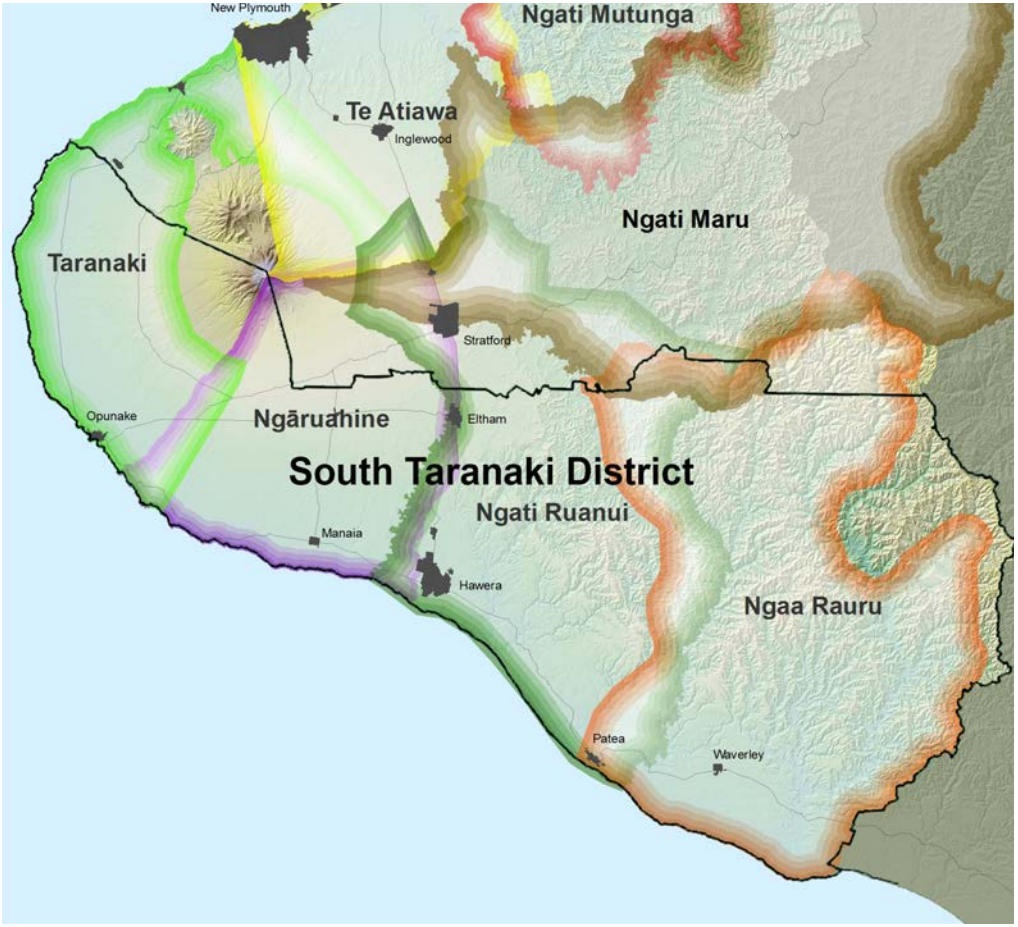
Building Maori capacity to contribute to Council Decision-making Policy

Whakarāpopoto Kāhui Kahika
Executive Summary

We are committed to upholding the mana of Māori by building strong relationships with iwi and providing opportunities for Māori to contribute effectively and actively in decision-making processes that will affect the wider community.

Iwi

There are four recognised iwi in South Taranaki – Taranaki, Ngāruahine, Ngāti Ruanui and Ngaa Rauru Kiitahi.



Ngā Kawenga 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 we will develop this process in the future.

Te Koronga ā Te Kaupapa Here
Purpose of the Policy

To provide opportunities for Māori to contribute to the Council's decision-making. The Council and iwi will work collaboratively to meet the needs of Māori, by developing strong relationships and decision-making partnerships including co-governance opportunities where these are identified by iwi and/or the Council.

Te Kaupapa Here Whakawhanake Rahinga Iwi Māori kia Whakatakoto Whakataunga ā-Kaunihera

Building Maori capacity to contribute to Council Decision-making Policy

The Council will actively promote te reo Māori including the development of a bilingual policy and ensure Māori representation on committees and decision-making groups.

Ngā Whainga Paetae Objectives

- To have direct appointments of Māori delegates to committees and portfolio groups that allow Māori to have a voice in committee decisions.
- To identify and investigate co-governance opportunities and relationships with Iwi.
- To employ a Pouherenga-a-Iwi / Iwi Liaison Advisor who will assist the liaison between Iwi and the Council.
- To implement 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 provide Te Reo Māori and Cultural workshops 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 Mana Whakahono-ā-Rohe Agreements with local Iwi.
- To have quarterly Iwi forums to present and discuss upcoming activities of importance to Iwi.
- To work with Iwi on developing Council policy, strategies and statutory plans.
- To develop better communication by working with Iwi to produce articles and information to inform the Māori community.

Kaupapa Here Policy

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

1. Herenga Tūturu - Direct Appointments

- Appointment of Māori representatives to committees and portfolio groups. For example, Audit and Risk Committee, Environment and Hearings Committee, Policy and Strategy Committee and the Community Services and Infrastructure Services Portfolio Groups.

2. Pouherenga ā-Iwi – Appoint an Iwi Liaison Advisor

- Provide direction, advice and support to the Council, Chief Executive and staff 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 Te Kāhui Matauraura members.

3. Iwi-Council Partnership Strategy and Iwi Partnership Agreements

- The four iwi and the Council have agreed to develop an Iwi-Council Partnership Strategy and an agreement with each iwi. The intention is to have the Strategy in place by the time the Council's 2021-2031 Long Term Plan takes effect and will identify and investigate co-governance opportunities and relationships with Iwi.

Te Kaupapa Here Whakawhanake Rahinga Iwi Māori kia Whakatakoto Whakataunga ā-Kaunihera

Building Maori capacity to contribute to Council Decision-making Policy

4. **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 Council owned buildings. To promote active use of te reo Māori in conversations and acknowledgements.

5. **Te Tohu Reorua** – Bi-lingual Signs

- The development of bilingual signage around the community and the Council organisation to promote and encourage the use of the language in 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.

6. **Mahi-a-Iwi** - Active Participation in Māori Events

- Assist iwi activities with Council support by providing advice and/or resources.
- To encourage the Council to actively participate in iwi-led activities. To promote positive relationships at iwi events and give support.

7. **Awheawhe-a-Iwi ki ngā Kaikaunihera** - Elected Members Cultural Workshop

- Hold a workshop to provide elected members with a basic and informative introduction to working and engaging with iwi in a positive environment. A workshop will be held on an annual basis and will focus on assisting elected members with pronunciation, local history, iwi information and tikanga.

8. **Mana Whakahono-a-Rohe**

- To develop Mana Whakahono-a-Rohe (MWR) agreements with local iwi under the Resource Management Act 1991.

9. **Hui Tōpū-a-māramarua** - Biannual 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 the Pouherenga-a-Iwi/Iwi Liaison Advisor on current activities that involve or affect iwi.
- Parihaka 18th and 19th Forum – the Pouherenga-a-Iwi/Iwi Liaison Advisor will attend biannually to give feedback and information on Council activities relevant to Taranaki iwi.
- Kaumatua Kaunihera Hui – the Pouherenga-a-Iwi/Iwi Liaison Advisor will deliver information to kaumatua on current Council activities that affect iwi, for example, Kaumatua Kaunihera o Ngāruahine.

10. **Pari Karangaranga** – Iwi Communications

- The Council will continue with quarterly Huinga-ā-Iwi where Council activities and matters of interest to the Council and iwi are discussed in an informal setting.

Progress on these objectives:

- **To have direct appointments of Māori delegates to Committees and Portfolio Groups that allow Māori to have a voice in Committee decisions.**
  Iwi representatives have been appointed to the (now) Risk

Te Kaupapa Here Whakawhanake Rahinga Iwi Māori kia Whakatakoto Whakataunga ā-Kaunihera

Building Maori capacity to contribute to Council Decision-making Policy

and Assurance Committee, Environment and Hearings Committee and the two Portfolio Groups.

- **To employ a Pouherenga-a-Iwi/ Iwi Liaison Advisor who will assist the liaison between Iwi and the Council.**
  This role was established many years ago and the Pouherenga-a-Iwi/Iwi Liaison Advisor has an ongoing commitment to liaising between Council and Iwi.
- **To implement the 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 in 2018/19 and the Pouherenga-a-Iwi/Iwi Liaison Manager runs at least two te reo courses each year. A recent review was undertaken on the Policy and is awaiting feedback from Te Kāhui Matauraura before presenting to Council for signoff.
- **To introduce a Bi-lingual Policy.**
  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.**
  Iwi and Council have met several times regarding the development of an Iwi-Council Partnership Strategy, which have included discussion on Iwi engagement and partnership. Te Tiriti o Waitangi training and a bus trip to visit areas of cultural significance were held for all elected members.
- **To actively promote and participate in Māori activities within the District.**
  Various activities have been attended and supported by the

Te Kaupapa Here Whakawhanake Rahinga Iwi Māori kia Whakatakoto Whakataunga ā-Kaunihera

Building Maori capacity to contribute to Council Decision-making Policy

Pouherenga-a-Iwi/Iwi Liaison Manager, staff and elected members and this will continue to be an ongoing focus.

- **To develop Mana Whakahono-ā-Rohe Agreements between local Iwi and the Council.** This work has stalled as we await the outcome of the Resource Management Act Reform.
- **To have quarterly Iwi forums to present and discuss upcoming activities of importance to Iwi.** Some forums have been held between iwi and the Chief Executive. Four Huinga-ā-iwi hui were held, which included operational staff from Iwi and Council.
- **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 Te Kāhui Matauraura hui to discuss Council activities and projects and any potential issues that iwi would like to discuss

Te Poumanukura

Democracy and Leadership

Funding Impact Statement for Te Poumanukura | Democracy and Leadership

South Taranaki District Council Funding Impact Statement – Democracy & Leadership for the year ended 30 June 2023.

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of Operating Funding		
2,784	2,754	General Rates, uniform annual general charges, rates penalties	3,004	2,965
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 Charges and Overheads Recovered	0	0
528	494	Local authorities fuel tax, fines, infringement fees and other receipts	556	512
3,312	**3,248**	**Total operating funding (A)**	**3,560**	**3,478**
		Applications of operating funding		
1,389	1,133	Payments to staff and suppliers	1,502	1,252
2	1	Finance costs	1	2
2,073	2,108	Internal charges and overheads applied	2,354	2,208
0	0	Operating funding applications	0	0
3,464	**3,242**	**Total applications of operating funding (B)**	**3,857**	**3,462**
(152)	**7**	**Surplus (deficit) of operation funding (A-B)**	**(297)**	**16**

Acutal 2022 ($000)	2031-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		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
(152)	7	Increase (decrease) in reserves	(297)	16
0	0	Increase (decrease) in investments	0	0
(152)	**7**	**Total applications of capital funding (D)**	**(297)**	**16**
152	**(7)**	**Surplus (deficit) of capital funding (C-D)**	**297**	**(16)**
0	**0**	**Funding Balance ((A-B) + (C-D))**	**0**	**0**
6	7	Excludes Depreciation of:	9	16

Ngā Waitoru
Three Waters

Activities in this Group include: Water Supply / Wastewater / Stormwater

Why we do it

There is a strong community expectation that people are safe and their public health is protected through the delivery of the three waters services. Water supply is the most critical infrastructure service we provide as water is required in large volumes to sustain domestic, agricultural and industrial customers. Sustainable water supplies preserve the resource for future generations and high quality infrastructure helps to ensure that South Taranaki is a prosperous District. The safe disposal of wastewater protects the public health of our communities by taking domestic sewage and industrial wastes and treating them before discharging the treated effluent to the environment. Stormwater reticulation protects homes and core infrastructure such as roads and wastewater systems by helping to prevent flooding of properties and infrastructure.

High quality infrastructure supports the economic wellbeing of the District and provides a healthy and safe place to live.

Ngā Puna Wai

Water Supply

What we do

Our water supplies provide more than 29 million litres of drinking water each day to residential, agricultural and industrial customers from eight urban and two rural water supply schemes. Our assets include ten water treatment facilities, 37 reservoirs and 641km of water mains.

Water is sourced from the many streams that run from Mount Taranaki to the sea, or from boreholes where there is insufficient surface water of suitable quality. Our water abstraction activities are regulated by the Taranaki Regional Council, which administers consents issued under the Resource Management Act 1991. The conditions attached to the renewal of these consents as they expire are becoming more stringent, making it increasingly important to accurately measure where our water goes. This requires continually improving asset and demand management so we can justify the water we take from the environment.

Water is treated to ensure it is free from bacteria, protozoa and chemical contamination, and our ten water treatment plants meet the current drinking water quality standards. The Waverley and Kāpuni water supplies are fluoridated. Chlorination is now viewed as essential for the safety of public water systems and we have been upgrading our water treatment systems accordingly.

Having at least 24 hours of treated water storage capacity allows the water treatment plants to be turned down following heavy rainfall events, as flood water can be difficult to treat. Adequate storage capacity also provides resilience in the event of natural disasters or emergencies that could affect our water supplies. We are working to ensure all of our systems have sufficient storage capacity.

Significant Negative Effects

We strive to reduce the negative impacts of our operations, but we acknowledge that our activities can have negative impacts. The table below shows the possible negative effects of this activity and what we do to minimise these effects

Significant Negatve Effect	Sustainable Solution
Over-extraction of water and reducing river flows can impact negatively on the ecosystems of rivers.	Effective compliance and monitoring of resource consent conditions. Apply the Taranaki Regional Council principles set out in the Regional Fresh Water Plan when considering permission to abstract water from streams and bores.
Potential delivery of contaminated water.	Effective emergency response plans, operational procedures and monitoring of raw water supplies. Public Health Risk Management Plans. Treatment of ground water supplies.
Insufficient water supplies during times of drought or emergency.	Demand management is used to reduce water demand during drought or emergency. At least 24 hours' water storage is available for all schemes. Investigations to improve the security of supply through developing additional water resources.

Ngā Puna Wai

Water Supply

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
The water supply is accessible and reliable					
Number of complaints received about continuity of supply (per 1,000 connections) *(Performance Measure 1)*	(C) number of complaints received about continuity of supply (per 1,000 connections). *DIA Performance Measure 4d*	≤ 10	Achieved 7.1 (target ≤ 10)	Achieved (7.48). 7.48 complaints per 1,000 connections were received about continuity of supply for the year	✓
Median response time for service personnel to attend urgent call-out *(Performance Measure 3)*	(T) Median response time for service personnel to attend urgent call-out. *DIA Performance Measure 3a*	≤ 2 hrs	Achieved 39 mins (target ≤ 2 hrs)	Achieved (45 mins). The median response time for service personnel to attend urgent callouts was 45 minutes for the year.	✓
Median response time for service personnel to resolve urgent call-out *(Performance Measure 4)*	(T) Median response time for service personnel to resolve urgent call-out measured from the time we receive notification to the time service personnel confirm resolution of fault or interruption. *DIA Performance Measure 3b*	≤ 9 hrs	Achieved 30 mins (target ≤ 9 hrs)	Achieved (2hr 39min). The median time for service personnel to resolve urgent callouts was 2 hours and 39 minutes for the year.	✓
Median response time for service personnel to attend non-urgent call-out *(Performance Measure 6)*	(T)) Median response time for service personnel to attend non-urgent call-out measured from the time we receive notification to the time service personnel reach the site. *DIA Performance Measure 3c*	≤ 5 days	Achieved 1d/18h/1m (target ≤ 5 days)	Achieved (3d/16h/9m). The median response time for service personnel to attend non-urgent callouts was 3 days, 16 hours and 9 minutes for the year.	✓
Median response time for service personnel to resolve non-urgent call-out *(Performance Measure 8)*	(T) Median response time for service personnel to resolve non-urgent call-out *DIA P erformance Measure 3d*	≤ 5 days	Achieved 1d/23h/48m (target ≤ 5 days)	Achieved (4d/16h/57m). The median resolution time for non-urgent callouts was 4 days, 16 hours and 57 minutes for the year.	✓

New drinking water standards from Taumata Arowai came into force on 14 November 2022 and South Taranaki District Council has reported against these standards from 1 January 2023. An independent assessment of our performance against the Drinking Water Quality Assurance Rules 2022 (DWQAR) and the E. coli Maximum Acceptable Value (MAV) of the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 has been completed for the period being 1 January to 31 June 2023 by Wai Comply Limited. Where we recorded non-compliant samples, we took prompt action.

Ngā Puna Wai

Water Supply

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Water supplied is clean and healthy					
Extent of compliance with current NZ Drinking Water Standards (for bacteria) *(Performance Measure 10) Quarters 1 and 2*	(T) Extent of compliance with current NZ Drinking Water Standards (for bacteria). *DIA Performance Measure 1a*	10/10	Not achieved 7/10. (target 10/10)	Not achieved (8/10). Quarters 1 and 2 were measured against Parts 4 and 5 of the Drinking Water Standards 2005. During the first two quarters, eight water supplies fully complied with the exception of distribution zones for for Hāwera and Waimate West. For the Hāwera supply the interval between monitoring samples was too long and for the Waimate West supply E.coli was detected. An investigation was conducted, and remedial actions met requirements.	✗
Extent of compliance with current NZ Drinking Water Standards (for bacteria) *(Performance Measure 10) Quarters 3 and 4*	(T) Extent of compliance with current NZ Drinking Water Standards (for bacteria). *DIA Performance Measure 1a*	10/10	Not achieved 7/10. (target 10/10)	Not achieved (5/10). Quarters 3 and 4 were under the new Taumata Arowai Quality Assurance Rules which came into effect from 14 Nov 2022, with an agreed implementation from 1 Jan 2023. For the Eltham, Hāwera, Inaha, Pātea and Waimate West supplies bacterial criteria was not met at either the water treatment plant or distribution zone. This was due to variable circumstances ranging from incorrect monitoring frequencies to an inability to demonstrate treatment performance	✗
Extent of compliance with NZ Drinking Water Standards (for protozoa) *(Performance Measure 11) Quarters 1 and 2*	(T) Extent of compliance with NZ Drinking Water Standards (for protozoa). *DIA Performance Measure 1b*	10/10	Achieved 10/10 (target 10/10)	Achieved (10/10). Quarters 1 and 2 were measured against Parts 4 and 5 of the Drinking Water Standards 2005. During the first two quarters, all water supplies complied with these standards.	✓
Extent of compliance with NZ Drinking Water Standards (for protozoa) *(Performance Measure 11) Quarters 3 and 4*	(T) Extent of compliance with NZ Drinking Water Standards (for protozoa). DIA Performance Measure 1b	10/10	Achieved 10/10 (target 10/10)	Not achieved (0/10). Quarters 3 and 4 were under new Taumata Arowai Quality Assurance Rules effective from 1 Jan 23. All water supplies were inconsistent with them, ranging from very minor to larger deviations.	✗
The water supply is managed sustainably (maintenance of the reticulation network)					
Real water losses over all supplies *(Performance Measure 13)*	(T) % The percentage of real water loss from the networked reticulation system, using the Infrastructure Leakage Index (ILI) methodology.	≤ 12.5%	Not achieved. 15.58% (target ≤ 13%)	Not achieved (16.5%). We are doing water leak detection across the District and repairing leaks found. In the future, we will need to look at enforcement of private leak repairs.	✗
The water supply is managed sustainably					

Water Supply

Average consumption of drinking water per day per resident *(Performance Measure 14)*	(T) Average consumption of drinking water per day per resident. *DIA Performance Measure 5*	≤ 380 L/c/d	Achieved 357 L/c/d (target ≤ 390 L/c/d)	Achieved (361 L/c/d). The average consumption of drinking water was 361 litres per person per day for the year.	✓

Consumers are satisfied with the Water Supply service

Number of complaints received about drinking water clarity (per 1,000 connections) *(Performance Measure 16)*	(C) Total number of complaints received about drinking water clarity (per 1,000 connections). *DIA Performance Measure 4a*	≤ 3	Achieved 2.99 (target ≤ 3)	Achieved (0.56). 0.56 complaints about drinking water clarity per 1,000 connections were received for the year.	✓

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved

Consumers are satisfied with the Water Supply service

Number of complaints received about drinking water taste (per 1,000 connections) *(Performance Measure 17)*	(C) Number of complaints received about drinking water taste (per 1,000 connections). *DIA Performance Measure 4a*	≤ 3	Achieved 1.96 (target ≤ 3)	Achieved (0.65). 0.65 complaints about drinking water taste per 1,000 connections were received for the year.	✓
Number of complaints received about drinking water odour (per 1,000 connections) *(Performance Measure 18)*	(C) Number of complaints received about drinking water odour (per 1,000 connections). *DIA Performance Measure 4b*	≤ 3	Achieved 1.87 (target ≤ 3)	Achieved (0.37). We received 0.37 complaints about drinking water odour per 1,000 connections for the year	✓
Number of complaints received about drinking water pressure or flow (per 1,000 connections) *(Performance Measure 19)*	(C) Number of complaints received about drinking water pressure or flow (per 1,000 connections). *DIA Performance Measure 4c*	≤ 4	Not achieved. 5.23 (target ≤ 5)	Achieved (3.93). We received 3.93 complaints about drinking water pressure per 1,000 connections for the year.	✓
Number of complaints received about response to the above (per 1,000 connections) *(Performance Measure 20)*	(C) Number of complaints received about response to the above (per 1,000 connections). *DIA Performance Measure 4e*	≤ 2	Achieved 0 (target ≤ 2)	Achieved (0). No reported complaints were received about our response to the above for the year.	✓
Total number of customer complaints received (per 1,000 connections) *(Total of Performance Measures 16 - 20)*	(C) Total number of complaints (per 1,000 connections). *DIA Performance Measures 4a-4e*	≤ 22	Achieved 19.16 (target ≤ 24)	Achieved (12.99). We received 12.99 complaints per 1,000 connections for the year.	✓
Consumers are satisfied with the Water Supply overall *(Performance Measure 21)*	(C) % of consumers are satisfied with the Water Supply overall.	≥ 80%	Achieved 83% (target ≥ 80%)	Achieved (88%). The Annual Residents' Satisfaction Survey recorded that 88% of residents surveyed were satisfied with the Water Supply overall.	✓

Ngā Puna Wai
Water Supply

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

Funding Impact Statement for Ngā Puna Wai | Water Supply

South Taranaki District Council Funding Impact Statement – Water Supply for the year ended 30 June 2023.

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of Operating Funding		
0	0	General Rates, uniform annual general charges, rates penalties	0	0
14,488	14,054	Targeted Rates	14,217	14,585
0	0	Subsidies and grants for operating purposes	0	0
214	94	Fees and Charges	273	98
0	0	Internal Charges and Overheads Recovered	0	0
430	435	Local authorities fuel tax, fines, infringement fees and other receipts	362	450
15,133	**14,583**	**Total operating funding (A)**	**14,851**	**15,132**
		Applications of operating funding		
4,192	3,771	Payments to staff and suppliers	3,934	3,556
1,819	1,725	Finance costs	2,149	1,564
2,608	2,645	Internal charges and overheads applied	2,880	2,759
0	0	Operating funding applications	0	0
8,619	**8,142**	**Total applications of operating funding (B)**	**8,962**	**7,879**
6,513	**6,442**	**Surplus (deficit) of operation funding (A-B)**	**5,889**	**7,253**

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of capital funding		
0	1,602	Subsidies and grants for capital expenditure	0	2
0	574	Development and financial contributions	0	634
(1,359)	9,026	Increase (decrease) in debt	936	1,171
0	0	Gross proceeds from sale of assets	0	0
1,873	0	Lump sum contributions	542	0
0	0	Other dedicated capital funding	0	0
514	**11,202**	**Total sources of capital funding (C)**	**1,478**	**1,806**
		Applications of capital funding		
1,859	6,053	- To meet additional demand	4,883	225
1,556	4,860	- To improve the level of service	2,060	4,207
4,112	6,167	- To replace existing assets	3,059	3,734
(499)	563	Increase (decrease) in reserves	(2,635)	893
0	0	Increase (decrease) in investments	0	0
7,027	**17,644**	**Total applications of capital funding (D)**	**7,367**	**9,060**
(6,513)	**(6,442)**	**Surplus (deficit) of capital funding (C-D)**	**(5,889)**	**(7,253)**
0	**(0)**	**Funding Balance ((A-B) + (C-D))**	**0**	**(0)**
4,984	5,319	Excludes Depreciation of:	6,952	5,854

The above Statement includes interest of $242,468 and loan repayments of $442,197 on internal borrowings. The outstanding balance of the internal loan is $5,774,948.

Ngā Parapara

Wastewater

What we do

We have eight urban wastewater schemes that transfer wastewater from domestic, commercial and industrial customers to wastewater treatment plants where it is treated and safely disposed of to natural waters (streams, rivers or the ocean) or by application to land. The discharges are regulated by the Taranaki Regional Council (TRC), which grants resource consents that state the quality and quantity conditions that must be met.

In order to better manage the specific nature of industrial wastewater, we introduced a Trade Waste Bylaw in 2017. This controls the non-domestic waste we accept and how much customers pay for the service. Managing these waste streams is essential to operating our treatment plants as efficiently and effectively as possible.

Oxidation ponds are the normal treatment process, with treated effluent being discharged to an adjacent watercourse. There are exceptions – the treated effluent from Eltham and Hāwera discharges through the Fonterra sea outfall at Whareroa, and the Ōpunakē treatment plant discharges to land. The new Waiinu wastewater treatment pond uses filtration and UV disinfection to fully sterilise wastewater prior to discharge to the environment.

Like most wastewater networks around New Zealand, our reticulation suffers from rainwater getting into the pipes, either from the direct connection of roofs or paved areas or from ground water infiltrating into buried pipes through defects such as cracks. The impact of this is that the reticulation system may exceed its capacity and overflow, or we may exceed the limits of resource consents, resulting in legal action against us. Ongoing management of these issues is a high priority, both to protect the health of the community and the environment and to ensure we can demonstrate our environmental compliance.

Disapproval of uncontrolled emergency discharges of untreated wastewater to the environment is increasing. As consents are renewed it is likely that increased treatment of wastewater will be required

Ngā Parapara

Wastewater

Significant Negative Effects

Although we try to reduce the negative impacts of our operations, we are aware our wastewater activity generates negative impacts. The table below shows the possible negative effects of this activity and how we minimise them

Significant Negatve Effect	Sustainable Solution
Overflows of untreated sewage from the wastewater network due to blockages, pump station or other plant malfunction, electrical failure for pump stations, inflow/infiltration of stormwater into the sewerage network and/or insufficient capacity pose a potential serious risk to the health, social and cultural wellbeing of the community and the environment.	Compliance with resource consents. Regular monitoring and implementation of the Inflow and Infiltration Management Plan. Continuing our maintenance programme and environmental controls. Providing emergency storage tanks at pump stations for sewage overflow. Backup electrical generators at key pump stations.
Discharge of sewage through the outfalls may cause environmental and health issues.	Compliance with resource consents. Regular monitoring of plant performance of the ocean outfall and environment. Rāhui on collection of seafood and public information campaigns implemented immediately.
Unmonitored trade waste discharges pose a significant risk to wastewater infrastructure, the health and safety of operations staff and the health and wellbeing of the community and the environment.	Trade Waste Officer monitors compliance with Trade Waste Bylaw 2017. Penalties can be imposed by the Council for any breaches of the Trade Waste Bylaw 2017. Maintaining and operating our plants effectively. Building of collaborative approach with the major industries.
Odours produced from the collection and treatment of trade waste and domestic sewage can be offensive.	Management of trade waste in terms of the Trade Waste Bylaw. Maintaining and operating our pump stations, pipelines and plants effectively.

Ngā Parapara

Wastewater

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Sewage is managed without risk to public health					
Response time for service personnel to attend overflow *(Performance Measure 2)*	(T) Median response time for service personnel to attend overflow, measured from the time we received notification to the time service personnel reach the site. *DIA Performance Measure 3a*	≤ 2 hrs	Achieved 45 min (target ≤ 2 hrs)	Achieved (58 min). The median response time for service personnel to attend overflows for the year was 58 minutes.	✓
Response time for service personnel to resolve overflow *(Performance Measure 3)*	(T) Median response time for service personnel to resolve overflow, measured from the time we received notification to the time service personnel confirm resolution of the blockage or other fault. *DIA Performance Measure 3b*	≤ 5 hrs	Not achieved 15h/53m (target ≤ 5 hrs)	Not achieved (9h/59m). The median response time for service personnel to resolve overflows for the year was 9 hours and 59 minutes.	✗
Total number of complaints received about sewage odour (per 1,000 connections) *(Performance Measure 4)*	(C) Number of customer complaints per year relating to odours from wastewater pump stations or treatment facilities (per 1,000 connections). *DIA Performance Measure 4a*	≤ 1	Achieved 0.25 (target ≤ 1)	Achieved (0.25). We received 0.25 complaints per 1,000 connections for the year	✓
Number of complaints received about sewerage system faults (per 1,000 connections) *(Performance Measure 5)*	(C) Total number of complaints received about sewerage system faults (per 1,000 connections). *DIA Performance Measure 4b*	≤ 38	Achieved 12.04 (target ≤ 39	Achieved (16.73). We received 16.73 complaints per 1,000 connections for the year.	✓
Number of customer complaints received about sewerage system blockages (per 1,000 connections) *(Performance Measure 6)*	(C) Total number of complaints received about sewerage system blockages (per 1,000 connections). *DIA Performance Measure 4c*	≤ 14	Achieved 11.03 (target ≤ 15)	Achieved (7.48). We received 7.48 complaints per 1,000 connections for the year about sewerage system blockages.	✓
Number of customer complaints received about response to issues (per 1,000 connections) *(Performance Measure 7)*	(C) Number of complaints received about response to issues (per 1,000 connections). *DIA Performance Measure 4d*	≤ 3	Achieved 0 (target ≤ 3)	Achieved (0). No reported complaints were received about response to issues for the year.	✓
Total number of complaints received about sewerage system faults and our response to issues with our sewerage system (per 1,000 connections) *(Total of Performance Measures 4-7)*	(C) Number of complaints received (per 1,000 connections). *DIA Performance Measures 4a-4d*	≤ 51	Achieved. 23.32 (target ≤ 52)	Achieved (24.46). We received 24.46 complaints per 1,000 connections for the year.	✓

Ngā Parapara

Wastewater

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Sewerage is managed without risk to public health					
Number of dry weather overflows per 1,000 connections *(Performance Measure 8)*	(T) Number of dry weather overflows per 1,000 connections. *DIA Performance Measure 1*	≤ 1	Achieved 0 (target ≤ 1)	Achieved (0.76). We received 0.76 complaints per 1,000 connections for the year.	✓
Sewage does not affect the quality of the environment					
Compliance with our resource consents for discharge from our sewerage system measured by the number of abatement notices received *(Performance Measure 10)*	(T) Number of abatement notices received for discharges. *DIA Performance Measure 2a*	≤ 1	Achieved 0 (target ≤ 1)	Achieved (0). No abatement notices were received for the year.	✓
Number of infringement notices received for discharges *(Performance Measure 11)*	(T) Number of infringement notices received for discharges. *DIA Performance Measure 2b*	0	Achieved 0 (target 0)	Achieved (0). No infringement notices were received for the year.	✓
Number of enforcement orders received for discharges *(Performance Measure 12)*	(T) Number of enforcement orders received for discharges. *DIA Performance Measure 2c*	0	Achieved 0 (target 0)	Achieved (0). No enforcement orders were received for the year.	✓
Number of convictions received for discharges *(Performance Measure 13)*	(T) Number of convictions received for discharges. *DIA Performance Measure 2d*	0	Achieved 0 (target 0	Achieved (0). No convictions were received for the year.	✓
Consumers satisfied with the Wastewater services. *(Performance Measure 15)*	(C) % of consumers satisfied with the Wastewater services overall.	≥ 85%	Not achieved 84% (target ≥ 85%)	Achieved (97%). The Annual Residents' Survey recorded that 97% 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.

Wastewater

Funding Impact Statement for Ngā Parapara | Wastewater

South Taranaki District Council Funding Impact Statement – Wastewater for the year ended 30 June 2023.

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of Operating Funding		
0	0	General Rates, uniform annual general charges, rates penalties	0	0
5,394	5,370	Targeted Rates	5,351	5,899
0	0	Subsidies and grants for operating purposes	0	0
1,368	1,175	Fees and Charges	1,649	1,216
0	0	Internal Charges and Overheads Recovered	0	0
0	4	Local authorities fuel tax, fines, infringement fees and other receipts	34	4
6,761	**6,549**	**Total operating funding (A)**	**7,033**	**7,119**
		Applications of operating funding		
3,559	3,327	Payments to staff and suppliers	4,289	3,318
1,215	1,092	Finance costs	1,541	1,039
786	1,075	Internal charges and overheads applied	852	1,110
0	0	Operating funding applications	0	0
5,560	**5,494**	**Total applications of operating funding (B)**	**6,682**	**5,467**
1,202	**1,055**	**Surplus (deficit) of operation funding (A-B)**	**351**	**1,652**

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of capital funding		
0	640	Subsidies and grants for capital expenditure	0	0
0	164	Development and financial contributions	0	334
64	3,826	Increase (decrease) in debt	2,793	2,115
0	0	Gross proceeds from sale of assets	0	0
1,556	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
1,620	**4,630**	**Total sources of capital funding (C)**	**2,793**	**2,449**
		Applications of capital funding		
62	615	- To meet additional demand	675	636
1,758	2,073	- To improve the level of service	1,160	698
1,312	2,562	- To replace existing assets	1,846	2,749
(311)	435	Increase (decrease) in reserves	(537)	19
0	0	Increase (decrease) in investments	0	0
2,821	**5,685**	**Total applications of capital funding (D)**	**3,145**	**4,102**
(1,202)	**(1,055)**	**Surplus (deficit) of capital funding (C-D)**	**(351)**	**(1,652)**
0	**0**	**Funding Balance ((A-B) + (C-D))**	**0**	**0**
1,695	1,565	Excludes Depreciation of:	2,813	1,643

The above Statement includes interest of $191,614 and loan repayments of $426,255 on internal borrowings. The outstanding balance of the internal loan is $4,486,920.

Te wai āwhiowhio me ōna rītenga

Stormwater

What we do

We manage and maintain stormwater assets made up of culverts, water channels, water collectors, pump stations, stormwater ponds, outfalls and pipe reticulation networks. Stormwater from residential properties is normally disposed of on-site via soakage, not through the stormwater system. To deliver stormwater services we operate a network that includes 96km of pipes, 1009 manholes, 322 outlets, 2086 inlets and 10km of open drains.

There is a distinction between roading drainage and stormwater reticulation assets. Roading drainage assets include culverts under roads, catchpits, roading sumps, kerb and channel and the first two metres of discharge pipes from roading sumps. These assets collect stormwater and send it to either streams or stormwater reticulation assets.

Surface flooding of roads by stormwater is a common complaint and this can be due to blocked sumps or blocked downstream pipework. Flooding such as that in Ōpunakē during August 2015 occurred because of the significant contribution of overland flow from farmland in the uphill catchment. The Taranaki Regional Council (TRC) has responsibility for stormwater control outside urban areas, so we need to work closely with the TRC to ensure that appropriate solutions are found to flooding issues in our communities.

Whilst Waitōtara is a village within our District and has experienced major flooding several times, the responsibility for its flood defences rests with the TRC.

Prevention of flooding to all properties in all circumstances is not feasible or affordable. The focus for the performance of our stormwater networks is therefore to minimise the occurrence of flooding to houses (excluding garages and sheds).

Significant Negative Effects

We work to reduce the negative effects of our activities, but they can have negative impacts. The table below shows the Stormwater activity's possible negative effects and how we minimise them.

Significant Negatve Effect	Sustainable Solution
Discharge of polluted stormwater impacting on public health.	Compliance with resource consents. Comprehensive approach to stormwater management based on catchment management plans. Works are proposed to reduce the amount of stormwater entering the wastewater network.
Inadequacy of existing stormwater assets to cope with large rainfall events causing flooding, and erosion, which could result in social and economic hardship.	Compliance with design standards to incorporate detention ponds to prevent flooding and erosion. The Council utilises overland flow paths to increase the level of protection for houses and commercial buildings. Works are proposed to improve the level of protection in large rainfall events

Te wai āwhiowhio me ōna rītenga

Stormwater

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Council provides a reliable stormwater system that prevents houses from flooding					
Number of reported flooding incidents of habitable properties *(Performance Measure 1)*	(C) Number of reported flooding incidents of habitable properties. *DIA Performance Measure 1a*	≤ 10	Achieved 0 (target ≤ 10)	Achieved (0). No incidents of flooding of habitable properties were reported for the year.	✓
Number of habitable floors affected per 1,000 properties rated for stormwater for each flooding event *(Performance Measure 2)*	(T) For each flooding event, the number of habitable floors affected per 1000 properties rated for stormwater *DIA Performance Measure 1b*	≤ 1.00	Achieved 0 (target ≤ 1.00)	Achieved (0). No habitable floors were affected during the year.	✓
The stormwater system is managed sustainably					
Compliance with our resource consents for discharge from the stormwater system, measured by the number of abatement notices received *(Performance Measure 3)*	(T) Number of abatement notices received for stormwater discharges *DIA Performance Measure 2a*	<2	Achieved 0 (target <2)	Achieved (0). No abatement notices were received for the year.	✓
Number of infringement notices received by STDC for stormwater discharges *(Performance Measure 4)*	(T) Number of infringement notices received for stormwater discharges *DIA Performance Measure 2b*	0	Achieved 0 (target 0)	Achieved (0). No infringement notices were received for the year.	✓
Number of enforcement orders received by STDC for stormwater discharges *(Performance Measure 5)*	(T) Number of enforcement orders received for stormwater discharges *DIA Performance Measure 2c*	0	Achieved 0 (target 0)	Achieved (0). No enforcement orders were received for the year.	✓
Number of successful prosecutions made against STDC for stormwater discharges *(Performance Measure 6)*	(T) Number of successful prosecutions made against the Council for stormwater discharges *DIA Performance Measure 2d*	0	Achieved 0 (target 0)	Achieved (0). No prosecutions were made for the year.	✓
Council will respond promptly to reports of flooding and customer requests					
Number of complaints received about stormwater system and response to issues (per 1,000 connections) *(Performance Measure 7)*	(C) Number of complaints received about stormwater system and response to issues (per 1,000 connections). *DIA Performance Measures 4*	≤ 1	Achieved 0 (target ≤ 1)	Achieved (0). No complaints were received about the stormwater system or response to issues for the year.	✓

Stormwater

Level of Service	Performance Measure	Target 2021/22	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Council will respond promptly to reports of flooding and customer requests					
Median Response time for service personnel to attend flooding event *(Performance Measure 8 | DIA Performance Measure 3)*	(T) Median response time for service personnel to attend flooding event measured from the time we receive notification to the time service personnel reach the site. DIA Performance Measure 3	≤ 2 hrs	Achieved 0 (target ≤ 2 hrs)	Achieved. No CRMs were received for flooding events.	✓
Residents are satisfied with the Stormwater system					
Residents are satisfied with the Stormwater system *(Performance Measure 9)*	(C) % of residents satisfied with the Stormwater system.	≥ 80%	Not achieved 73% (target ≥ 80%)	Achieved (85%). 85% of residents surveyed were satisfied with the stormwater system 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

Funding Impact Statement for Te wai āwhiowhio me ōna rītenga | Stormwater

South Taranaki District Council Funding Impact Statement – Stormwater for the year ended 30 June 2023.

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of Operating Funding		
1,113	1,102	General Rates, uniform annual general charges, rates penalties	1,242	1,163
9	9	Targeted Rates	9	9
0	0	Subsidies and grants for operating purposes	0	0
6	1	Fees and Charges	17	1
0	0	Internal Charges and Overheads Recovered	0	0
197	198	Local authorities fuel tax, fines, infringement fees and other receipts	211	201
1,325	**1,309**	**Total operating funding (A)**	**1,478**	**1,374**
		Applications of operating funding		
195	224	Payments to staff and suppliers	292	231
163	154	Finance costs	192	134
328	365	Internal charges and overheads applied	357	384
0	0	Operating funding applications	0	0
686	**743**	**Total applications of operating funding (B)**	**842**	**750**
638	**566**	**Surplus (deficit) of operation funding (A-B)**	**636**	**624**

Acutal 2022 ($000)	2021-31 LTP 2021 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of capital funding		
0	0	Subsidies and grants for capital expenditure	0	0
0	319	Development and financial contributions	0	478
633	1,464	Increase (decrease) in debt	109	17
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
633	**1,783**	**Total sources of capital funding (C)**	**109**	**495**
		Applications of capital funding		
110	1,196	- To meet additional demand	443	596
174	255	- To improve the level of service	240	110
912	905	- To replace existing assets	55	411
74	(7)	Increase (decrease) in reserves	7	2
0	0	Increase (decrease) in investments	0	0
1,271	**2,349**	**Total applications of capital funding (D)**	**745**	**1,119**
(638)	**(566)**	**Surplus (deficit) of capital funding (C-D)**	**(636)**	**(624)**
0	**0**	**Funding Balance ((A-B) + (C-D))**	**(0)**	**0**
693	689	Excludes Depreciation of:	867	732

The above Statement includes interest of $36,687 and loan repayments of $124,928 on internal borrowings. The outstanding balance of the internal loan is $815,775.

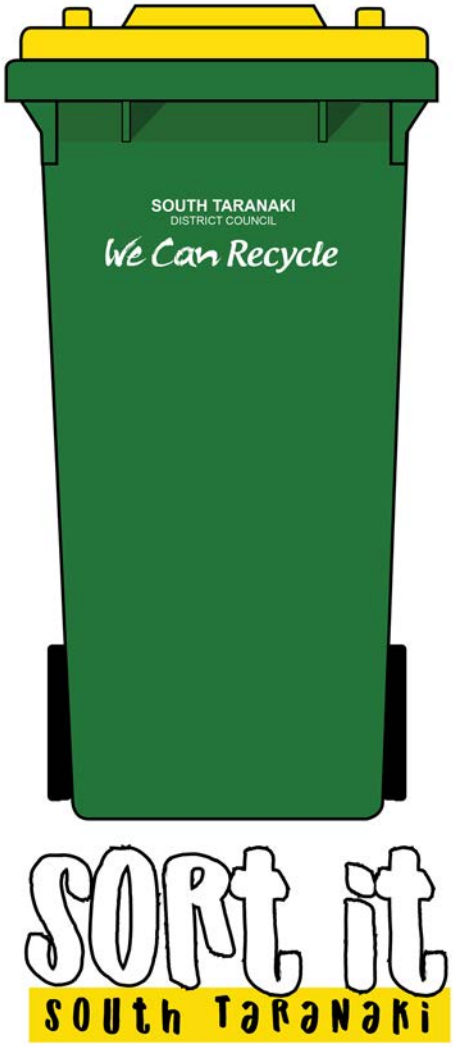
Para Totoka
Solid Waste

Why we do it

Our solid waste services are designed to protect the health and wellbeing of the community and the environment by ensuring the community can dispose of solid waste in a convenient, secure and sustainable manner.

Para Totoka

Solid Waste



What we do

We operate a weekly kerbside collection service (wheelie bins and crate) to collect waste and recyclables from approximately 8,400 households in the District's towns and along the main collection routes. We also provide a fortnightly voluntary organic waste collection service (green waste and food waste combined) on a user-pays basis to approximately 2,630 households. This green waste is composted, which reduces the amount of waste going to the landfill.

We operate seven transfer stations throughout the District to give the public and businesses access to waste disposal facilities and free recycling. Currently more than 95% of our population has access to these services within 20 minutes driving time. We also hold consents for the discharge of leachate and stormwater from seven closed landfills and legacy sites. These are at Kaponga, Manaia, Pātea, Ōpunakē, Hāwera, Otakeho and Eltham.

We focus on minimising the amount of waste our District sends to landfill through the implementation of the Waste Management and Minimisation Plan. Materials from the recycling collection are transported to the Materials Recovery Facility in New Plymouth, where they are sorted and processed.

General waste from the South Taranaki and Stratford districts is consolidated at the Hāwera Transfer Station, where waste volumes have increased overall compared to previous years. This has been due to the re-routing of waste from contractors that previously disposed of waste directly to the Colson Road Landfill in New Plymouth.

All refuse from the District is now transported to the Bonny Glen Landfill near Marton for disposal, due to the closure of the Colson Road Landfill. The decision to cart and dispose of waste to Bonny Glen was made after options analysis determined it to be the most cost-effective method.

Para Totoka

Solid Waste

Significant Negative Effects

While we aim to reduce the negative impacts of our operations, we are aware that our activities can have negative impacts. The table below shows the possible negative effects of the Solid Waste activity and what we do to minimise them.

Significant Negatve Effect	Sustainable Solution
Environmental and health impacts caused by the discharge of contaminants to land, air and water from waste disposal and from closed landfills.	Reducing the amount of waste going to landfill through increased recycling and reprocessing as described in the Waste Management and Minimisation Plan. Compliance with resource consents and aftercare management. Regular monitoring of gas emissions and leachate from closed landfills.
Environmental and health impacts caused by fly-tipping and the illegal dumping of waste. Additional costs associated with clean-up and disposal.	Regular monitoring of known illegal sites and areas, erecting signage, public education and enforcement. Keeping transfer stations' charges/fees at affordable levels

Para Totoka

Solid Waste

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
A reliable weekly kerbside recycling and rubbish collection service is provided					
Complaints received for missed street collection that are not resolved. *(Performance Measure 1)*	(T) Number of justified complaints received for missed collection that are not resolved (average month)	2	Achieved 1.33 (target 2)	Achieved 0.42 An average of 0.42 complaints per month were received of missed collections that were not resolved for the year.	✓
Customers satisfied with the solid waste collection service *(Performance Measure 2)*	(C) % of customers satisfied with the solid waste collection service.	≥ 90%	Achieved 95% (target ≥ 90%)	Not achieved (89%). The Annual Residents' Survey recorded that 89% of customers were satisfied with the Solid Waste collection service.	✓
A reliable, well managed (user pays) fortnightly kerbside greenwaste collection service is provided					
Complaints received for genuine missed greenwaste bins (excluding non-compliant bins) per collection *(Performance Measure 3)*	(C) Average number of justified complaints received for missed greenwaste bins per collection.	≤ 5	Achieved 4.5 (target ≤ 5)	Not achieved (5.8). The average number of missed bins per collection was 5.8 for the year.	✗
Transfer stations are well maintained					
Complaints received about poor maintenance, noise or smell for Transfer Stations. *(Performance Measure 4)*	(C) Number of complaints received about poor maintenance, noise or smell for transfer stations.	≤ 4	Achieved 1 (target ≤ 5)	Achieved (0). No complaints were received about poor maintenance, noise or smell at a transfer station for the year	✓
Increasing number of tonnes per annum of recyclable material diverted from landfill					
Waste diverted from the landfill each year *(Performance Measure 5)*	(T) Number of tonnes of recyclable waste diverted from landfill per annum.	Maintain or improve from previous year (2,792)	Not achieved 2,792 (target maintain or improve from previous year – 2,817)	Not achieved (2,172). This calculation is the combination of total kerbside and transfer station recycling including glass, cardboard, whiteware and scrap steel, but does not include tyres and E-Waste as these are not weighed.	✗

Para Totoka

Solid Waste

Waste Minimisation

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	for the year ended 30 June 2023	Achieved
Reduce the amount of rubbish/waste collected from kerbside collection per household					
The number of tonnes of waste collected on average per household per year. *(Performance Measure 6)*	(T) Number of tonnes of waste collected on average per household per annum.	<310kg per household	Not achieved 366kg (target <320kg per household)	Not achieved. 398kg of waste per household was collected for the year.	✗
We actively deal with litter complaints					
Customers satisfied with litter control *(Performance Measure 3)*	(C) % of customers satisfied with litter control.	> 50%	Achieved 66% (target > 50%)	Achieved (79%). The Annual Residents' Survey recorded that 79% of respondents were satisfied with litter control.	✓

Solid Waste

Funding Impact Statement for Para Totoka | Solid Waste

South Taranaki District Council Funding Impact Statement – Solid Waste for the year ended 30 June 2023.

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of Operating Funding		
559	551	General Rates, uniform annual general charges, rates penalties	554	472
1,616	1,604	Targeted Rates	1,458	1,604
0	0	Subsidies and grants for operating purposes	0	0
1,849	1,442	Fees and Charges	1,804	1,591
0	0	Internal Charges and Overheads Recovered	0	0
892	735	Local authorities fuel tax, fines, infringement fees and other receipts	961	816
4,916	**4,332**	**Total operating funding (A)**	**4,777**	**4,483**
		Applications of operating funding		
4,209	3,591	Payments to staff and suppliers	4,709	3,786
132	112	Finance costs	146	110
459	450	Internal charges and overheads applied	511	474
0	0	Operating funding applications	0	0
4,801	**4,153**	**Total applications of operating funding (B)**	**5,367**	**4,369**
115	**179**	**Surplus (deficit) of operation funding (A-B)**	**(589)**	**114**

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of capital funding		
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
(25)	94	Increase (decrease) in debt	(131)	318
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
(25)	**94**	**Total sources of capital funding (C)**	**(131)**	**318**
		Applications of capital funding		
0	0	- To meet additional demand	0	0
112	194	- To improve the level of service	64	415
71	101	- To replace existing assets	14	113
(93)	(23)	Increase (decrease) in reserves	(799)	(96)
0	0	Increase (decrease) in investments	0	0
90	**273**	**Total applications of capital funding (D)**	**(720)**	**432**
(115)	**(179)**	**Surplus (deficit) of capital funding (C-D)**	**589**	**(114)**
0	**0**	**Funding Balance ((A-B) + (C-D))**	**0**	**0**
101	108	Excludes Depreciation of:	127	155

The above Statement includes interest of $21,671 and loan repayments of $114,016 on internal borrowings. The outstanding balance of the internal loan is $441,646..

Ngā Huarahi Ararau
Roading and Footpaths
(includes Road Safety and Pathways)

Why we do it

We provide a roading network to meet the needs of residents and road users within the District. Safe, reliable and accessible roading infrastructure provides access to health and social services and an efficient distribution network for residents and businesses. Roading infrastructure is essential for the community and the District's economic development.

Our road safety programme aims to reduce the number of crashes and fatalities on our roads. It is delivered collaboratively by the district councils in the Taranaki Region.

Providing this activity helps us deliver high quality infrastructure to support businesses and industry in South Taranaki.

Ngā Huarahi Ararau

Roading and Footpaths

What we do

We maintain and develop a substantial roading network that includes 1,377km of sealed roads, 257km of unsealed roads, 163km of footpaths, 299 bridges and 83 major culverts. This network is supported by 2,252 streetlights, 175km of kerb and channel and 20km of pipes.

In addition to these key assets there are about 1,007km of "paper" or unformed legal roads that we do not maintain. Waka Kotahi, the New Zealand Transport Agency, operates and maintains the state highway network, which interfaces with our local road network. Waka Kotahi is also our co-investment partner for funding of the local road network.

We deliver the Community Road Safety Programme on behalf of the Region and in partnership with the Stratford and New Plymouth District Councils. This involves working with communities to identify and address local road safety issues by running a number of road safety campaigns and educational programmes.

The Taranaki Regional Transport Committee has a Regional Land Transport Plan 2021-2027. This document is important to the South Taranaki District Council as it establishes the regional priority for many of our transport activities, including all state highway activities, local road improvements, walking and cycling and community road safety activities.

Ngā Huarahi Ararau

Roading and Footpaths

Significant Negative Effects

As shown in the table below, the Roading and Footpaths activity generates a number of negative effects. The table shows what we do to minimise these effects.

Significant Negatve Effect	Sustainable Solution
The maintenance of the roading network may cause a number of nuisances including dust and smells.	Compliance with resource consent conditions during maintenance activities and track and record complaints
Improvements to the roading network may encourage increased traffic volumes and increase the level of emissions.	The provision of a suitable roading network is essential to the District. The Council also invests in walking and cycling infrastructure.
Vehicle accidents have a significant effect on the social and economic wellbeing of the community.	Road safety management and public education is an ongoing focus for the Council. Minor improvement works are carried out at high risk areas to reduce crash incidents. Road safety improvements include widening of narrow roads and bridges, improving visibility at corners and speed management.
Dust generated by traffic on unsealed roads can cause health and nuisance effects for people and stock.	Dust generated by traffic on unsealed roads is mitigated through regular gravelling or sealing of the roads (the latter is subject to available funds).
Forestry harvesting (logging) and activities requiring increased heavy traffic on low volume rural roads result in significant wear and damage to the roads, which are expensive to repair and maintain.	The Council will consider the introduction of a new rate or some other mechanism to partially offset the cost of heavy traffic damage to roads, possibly through a differential rate based on land-use.

Ngā Huarahi Ararau

Roading and Footpaths

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Council provides roads that are safe and comfortable to drive on.					
Roads meeting the roughness standard remains stable or improves *(Performance Measure 1)*	(T) % of roads meeting the roughness standard (deviation of true plane) remains stable or improves. *DIA Performance Measure 2*	92%	Achieved 92% (target 92%)	Not achieved (89%). The Annual Roughness Survey reported 89% for overall roughness. When separated, the result for urban streets is 74% and rural roads 95%.	✗
Road users satisfied with the condition of Council roads *(Performance Measure 2)*	(C) % of road users satisfied with the condition of Council roads.	≥74%	Not achieved 58% (target ≥ 73%)	Not achieved (58%). The Annual Residents' Survey results show 58% of people were satisfied with the condition of Council roads. The main complaints are roads are full of potholes, not maintained well and repair work was not satisfactory. Some of the dissatisfaction can be attributed to the condition of State Highways, as per resident comments. The wet weather this year made it more difficult to keep the roads free of potholes. Options are limited in repairing potholes in wet weather. Increased construction costs mean we are achieving a smaller quantity of road renewal work, compounding the problem.	✗
Annual change in number of fatalities and serious injury crashes on local road network *(Performance Measure 3)*	(T) Annual change in number of fatalities and serious injury crashes on local road network. *DIA Performance Measure 1*	Decrease by 1 or zero	8 Achieved. 8 The overall reported serious crashes for the year were 8, 3 less than the previous year (target Decrease by 1 or zero)	Not achieved (13). 13 serious crashes were recorded for the year, including 1 fatal, compared to 8 serious crashes reported last year.	✗
The roading network is maintained in good condition					
Sealed local road network resurfaced annually *(Performance Measure 4)*	(T) % of sealed local road network resurfaced annually. *DIA Performance Measure 3*	6%	Not achieved. 5.67% (target 6%)	Not achieved (4.1%). The area sealed was 307,729m2 out of total sealed area of 7,574,810m2, which was 4.1%. Some areas that were programmed for sealing were postponed due to budget constraint. The cost adjustment for bitumen was up to 50%.	✗
Footpaths are maintained in good condition and are fit for purpose					
Footpaths with condition rating 1-4 *(Performance Measure 5)*	(T) % of footpaths with condition rating 1-4. *DIA Performance Measure 4*	≥98%	Achieved 99% (target ≥ 98%)	Achieved (99%). 99% of footpaths have a condition rating of 1-4.	✓

Ngā Huarahi Ararau

Roading and Footpaths

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Council will respond promptly to customer service requests for roads and footpaths					
Urgent customer service requests relating to roads and footpaths responded to within 2 working days *(Performance Measure 6)*	(C) % of urgent customer service requests relating to roads and footpaths responded to within 2 working days. *DIA Performance Measure 5*	≥ 95%	Not achieved 84% (target ≥ 95%)	Not achieved (94%). 52 urgent CRMs were received for the year and 50 (94%) were responded to within two working days.	✗
Non-urgent customer service requests relating to roads and footpaths responded to within 5 working days *(Performance Measure 7)*	(C) % of non-urgent customer service requests relating to roads and footpaths responded to within 5 working days. *DIA Performance Measure 5*	≥90%	Not achieved 89% (target ≥ 90%)	Achieved (93%). 1,511 out of 1,619 (93%) non-urgent CRMs were responded to within five working days for the year.	✓

Roading and Footpaths

Funding Impact Statement for Ngā Huarahi Ararau | Roading and Footpaths

South Taranaki District Council Funding Impact Statement – Roading and Footpaths (includes Road Safety and Pathways) for the year ended 30 June 2023.

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of Operating Funding		
46	36	General Rates, uniform annual general charges, rates penalties	51	35
6,214	6,121	Targeted Rates	6,186	6,472
6,644	6,186	Subsidies and grants for operating purposes	7,864	6,140
112	140	Fees and Charges	381	144
823	771	Internal Charges and Overheads Recovered	829	794
1,393	1,318	Local authorities fuel tax, fines, infringement fees and other receipts	1,164	1,337
15,232	**14,571**	**Total operating funding (A)**	**16,475**	**14,923**
		Applications of operating funding		
11,249	10,986	Payments to staff and suppliers	13,900	10,976
193	259	Finance costs	331	229
259	382	Internalcharges and overheads applied	297	404
0	0	Operating funding applications	0	0
11,701	**11,628**	**Total applications of operating funding (B)**	**14,528**	**11,610**
3,530	**2,943**	**Surplus (deficit) of operation funding (A-B)**	**1,947**	**3,313**

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of capital funding		
4,545	5,297	Subsidies and grants for capital expenditure	4,003	5,462
0	253	Development and financial contributions	0	407
(174)	2,096	Increase (decrease) in debt	2,326	(4)
0	0	Gross proceeds from sale of assets	0	0
3,500	0	Lump sum contributions	2,100	0
0	0	Other dedicated capital funding	0	0
7,872	**7,645**	**Total sources of capital funding (C)**	**8,430**	**5,864**
		Applications of capital funding		
71	1,084	- To meet additional demand	849	658
5,449	11,339	- To improve the level of service	4,485	2,733
6,754	7,700	- To replace existing assets	6,267	5,949
(872)	(9,534)	Increase (decrease) in reserves	(1,224)	(163)
0	0	Increase (decrease) in investments	0	0
11,402	**10,589**	**Total applications of capital funding (D)**	**10,376**	**9,177**
(3,530)	**(2,943)**	**Surplus (deficit) of capital funding (C-D)**	**(1,947)**	**(3,313)**
0	**(0)**	**Funding Balance ((A-B) + (C-D))**	**0**	**0**
7,355	7,426	Excludes Depreciation of:	9,383	7,931

The above Statement includes interest of $82,026 and loan repayments of $103,137 on internal borrowings. The outstanding balance of the internal loan is $2,000,099.

Ngā Huhua Kaunihera
Community Facilities

Why we do it

We provide a range of attractive and accessible facilities for our residents, families and visitors “from the cradle to the grave.”

Parks and Reserves, Public Spaces, Pathways, Halls and Swimming Pools deliver facilities for people to be active, socialise, interact and have fun. These facilities are delivered to enhance the social, health and cultural well-being of our communities. In support of these activity based facilities are a number of holiday parks and campgrounds that give domestic and international visitors opportunities to stay, visit and support our local communities, and quality public toilets for the comfort and convenience of people when they need them. We provide housing options for older people who are unable to access suitable housing in the private sector. Our cemeteries support the social and cultural wellbeing of our communities by providing areas to bury, visit and remember those who have passed.

Paaka, Whenua Rāhui me ngā Wāhi Tūmatanui

Parks, Reserves and Public Spaces

What we do

We own and maintain parks and reserves across the entire District varying in size from neighbourhood 'pocket parks' and playgrounds, small roadside and main street gardens to sports fields, premier parks and a large scenic reserve, Lake Rotokare (240ha). We have 38 playgrounds across the District.

We also have a wide range of active and passive open spaces that make the South Taranaki District unique and are not necessarily formal parks or reserve areas. They are freely accessible to the public and serve a variety of purposes – recreation, amenity and preservation, providing and being part of views, protecting significant landscapes, sites and community identities, and providing a focal point for a local area. Examples are the Ōpunakē Beach Esplanade, Campbell and Korimako Lanes in Hāwera and freedom camping sites around the District.

Our Freedom Camping Bylaw identifies the locations in the District where freedom camping is allowed, and the types of camping permitted at each site. There are three categories of freedom camping – certified self-contained, non-self-contained and tenting.

Paaka, Whenua Rāhui me ngā Wāhi Tūmatanui

Parks, Reserves and Public Spaces

What negative impacts this might have

We work to reduce the negative impacts of our operations, but our activities can have negative impacts. The table below shows the possible negative effects of this activity and how we minimise them.

Significant Negatve Effect	Sustainable Solution
Vandalism of Council parks and properties' assets is a costly negative effect.	Vandalism can be mitigated by applying 'Crime Prevention through Environmental Design' principles in design - features such as improved lighting and open space, security notices and dealing with incidents of vandalism quickly (for example, graffiti removal within 24 hours) so these assets do not become a target. Contractors or in-house staff remove graffiti, depending on the location.
Personal injury due to failure or non-compliance of playground equipment.	This can be mitigated through good design, occasional safety audits and on-going monitoring of the condition of all playgrounds, and immediate response to reports of damage to play equipment.
Environmental and health impacts caused by larger than expected numbers of freedom camping visitors at sites throughout the District.	Increased monitoring of the camping sites was initiated in 2017 with the engagement of Kaitiaki (Freedom Camping Ambassadors) during the busier summer months.

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Parks and public spaces are tidy and well maintained					
Satisfaction with level of maintenance in Council Parks and Public Spaces *(Performance Measure 1)*	(C) % of customers satisfied with the level of maintenance in Council parks, reserves and public spaces	97%	Not achieved 95% (target 97%)	Not achieved (92%). The Annual Residents' Survey recorded that 92% of respondents were satisfied with the level of maintenance in our Parks and Reserves.	✗
Satisfaction with playgrounds *(Performance Measure 2)*	(C) % of customers satisfied that the provided playgrounds meet the needs of users.	≥90%	91% (target ≥ 90%)	Achieved (95%). The Annual Residents' Survey results show that 95% of respondents were satisfied with the playgrounds provided.	✓

Ngā Horo me ngā Whare ā-Rehia

Halls and Recreation Centres

What we do

We own and manage nine halls across the District. In addition, 30 privately owned halls are managed by local communities who can apply for funding support from the Council's Rural Halls Grant Fund.

We also own the TSB Hub multi-function facility in Hāwera and the Sports Society Hall in Manaia. We operate and maintain the TSB Hub, which is open all year round for recreation, entertainment, social events, functions, programmes and regular sports code competitions. The day-to-day operations of the Manaia Sports Society Hall, such as bookings, minor maintenance and applications for grants, were managed by the Society. However, the building has been identified as earthquake-prone and is closed. We provide an annual repairs and maintenance grant to the Sinclair Electrical and Refrigeration Event Centre in Ōpunakē.

We formed a partnership with the Hāwera Memorial Theatre Friends Trust 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. It also raises funds that are re-invested to enhance the theatre and the user experience.

A number of our halls were assessed as earthquake-prone and have been closed for strengthening or review of future service provision. The historic Hunter Shaw Building in Pātea has been strengthened and refurbished. In Manaia, the Memorial Hall and Sports Society Hall are both closed due to their earthquake risk. Plans to consolidate these two community facilities into one building were presented to the Manaia Community, but were not favourably received. Te Korowai o Ngāruahine Trust and the Council signed a partnership agreement in May 2022 to investigate the establishment of a combined multi-purpose, multi-use Iwi and community facility in Manaia. We have committed $1 million towards this project, to be undertaken within the 2021-2031 LTP.

A major challenge continues to be the cost of maintaining the current stock and condition of halls funded by user fees and charges that contribute only a small amount of the annual cost of maintaining halls.

Significant Negative Effects

The delivery of this activity has no significant negative effects.

Ngā Horo me ngā Whare ā-Rehia

Halls and Recreation Centres

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Recreation Centres are well maintained and serviced					
Satisfaction with maintenance and cleanliness of Recreation Centres *(Performance Measure 3)*	(C) % of customers satisfied with the maintenance and cleanliness of recreation centres.	≥90%	Achieved 96% (target ≥ 90%)	Achieved (91%). The Annual Residents' Survey recorded that 91% of residents were satisfied with the maintenance and cleanliness of our recreation centres.	✓
TSB Hub is an attractive, well maintained and well used venue					
Satisfaction with the service provided at the TSB Hub *(Performance Measure 12)*	(C) % of users satisfied with the standard of service provided.	≥90%	Achieved. 100% (Target ≥ 90%)	Achieved (100%). User surveys recorded that 100% of respondents were either satisfied or very satisfied with the standard of service provided for the year.	✓
TSB Hub provides a safe environment					
TSB Hub safety *(Performance Measure 13)*	(T) Number of accidents reported per annum due to poor maintenance or design.	≤ 3	Achieved. 0 (target ≤ 3)	Achieved (0). No accidents were reported that were attributed to poor maintenance or design for the year.	✓

Ngā Puna Kauhoe

Swimming Pools

What we do

The Swimming Pools activity enables us to provide and operate the Aquatic Centre in Hāwera and six other community pools across the District. An annual grant is also made towards the operation of the public community pool at Ōpunakē High School.

The community pools open mid-December and close after Taranaki Anniversary weekend in March. Access is free during advertised public sessions and they are staffed by qualified lifeguards. Each facility features main pools suited to adult use, plus learners' and toddlers' pools.

The Hāwera Aquatic Centre has an indoor complex that runs year-round. It includes a 25 metre six lane main pool, a learners' pool plus a children's splash park, giant hydro-slide and a thermal pool. The outdoor complex opens the first weekend of December through to the last weekend in March and includes a 50 metre seven lane pool and a children's pool with novel play features. All pools are heated. The Hāwera Aquatic Centre has Poolsafe accreditation – a national "best practice" project administered through Recreation Aotearoa. Qualified instructors deliver programmes that cater to all ages and abilities, including learn to swim, kayaks, Aquatots, AquaFit and school lessons.

Significant Negative Effects

Although we aim to reduce the negative effects of our activities, we acknowledge that they can have negative impacts. The table below shows how we minimise the possible negative effects of the Swimming Pools activity.

Significant Negatve Effect	Sustainable Solution
Environmental impact through the transmission of water borne contaminants.	Pool Water Risk Management Plans address a range of potential risk elements that may arise in conjunction with provision and operation of the pools. The Risk Management Plan for the Hāwera Aquatic Centre is reviewed annually, prior to the annual Poolsafe review.
Chemicals commonly associated with swimming pool water treatment may pose a risk to the environment through accidental spillage.	Secondary containment vessels are provided to mitigate spills from liquid chemicals.
Accidental injury to pool users and even death by drowning or activity related injury or stress.	Qualified lifeguards are employed to supervise the pools and respond to emergencies when the pools are open for public use. All staff employed at Council operated pools hold current First Aid Certificates and all lifeguards have current Pool Lifeguard Practising Certificates.

Ngā Puna Kauhoe

Swimming Pools

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30June	Achieved
Rural Pools are attractive and well maintained environments					
Satisfaction with Rural Pool environments being attractive and well maintained *(Performance Measure 4)*	(C) % of customers satisfied with pool environments. Average across all Rural Pools.	≥ 80%	Achieved 91% (target 80%)	Achieved (84%). The Annual Residents' Survey recorded that 84% of customers were satisfied with the rural pools environments	✓
Rural Pools water quality is safe					
Compliance with NZ5826 through regular water quality tests at Rural Pools *(Performance Measure 5)*	(T) % of compliance with NZS5826 through regular water quality tests.	≥90%	Achieved 90% (target ≥ 90%)	Not achieved (64%). Results across all 6 rural pools before dosing corrections made to balance water into acceptable range. Results taken from staff inputs into pool test software.	✓
The Hāwera Aquatic Centre is a well maintained environment					
Satisfaction with the maintenance of the Aquatic Centre environment *(Performance Measure 6)*	(C) % of users satisfied with the venue being well maintained.	≥90%	Achieved 97% (target ≥ 90%)	Achieved (96%). The Annual Residents' Survey recorded that 96% of customers were satisfied with the Aquatic Centre maintenance and environment.	✓
The Aquatic Centre is a safe environment					
Hāwera Aquatic Centre safety *(Performance Measure 7)*	(T) The Aquatic Centre holds current national Poolsafe ™ accreditation.	Held	Achieved – Held (target Held)	Achieved (Held). Poolsafe re-certification received March 2023.	✓
Customers are satisfied with services					
Satisfaction with the Aquatic Centre services provided by staff *(Performance Measure 8)*	(C) % of users satisfied with services provided at the Hāwera Aquatic Centre.	≥90%	Achieved 96% (target ≥ 90%)	Not measured. The Annual Residents' Survey did not record users' satisfaction with the services provided.	✓

Wharepaku Tūmatanui

Public Toilets

What we do

We own and maintain 38 public toilets at locations across the District. Additionally, we have two re-locatable toilet pods at Denby Road, Hāwera and the Cape Egmont Boat Club on Cape Road, Ōpunakē. There are five dump stations across the District for motor homes to dispose of waste.

Significant Negative Effects

We aim to reduce the negative effects of our operations, but we are aware that our activities can have negative impacts. The table below shows the possible negative effects of this activity and what we do to minimise them.

Significant Negatve Effect	Sustainable Solution
Environmental and health impacts from a potential sewage spill from a public toilet.	Regular condition inspections, monitoring and maintenance, close liaison with wastewater service engineers and prompt response to customer requests.
Vandalism of public toilets.	Vandalism can be mitigated by applying 'Crime Prevention through Environmental Design' principles in design – improved lighting and open space, security notices – and dealing with incidents of vandalism quickly (removal within 24 hours) so that these assets do not become a target.

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Toilets are clean and well maintained					
Satisfaction with cleanliness and maintenance of Public Toilets *(Performance Measure 9)*	(C) % of residents satisfied with cleanliness and maintenance of Public Toilets.	≥ 80%	Not achieved 79% (target ≥ 80%)	Achieved (82%). The Annual Residents' Survey recorded that 82% of respondents were satisfied with the cleanliness and maintenance of public toilets.	✓

Ngā Pāka Hararei

Holiday Parks

What we do

We provide five holiday parks, at Ōpunakē Beach, Hāwera, Pātea Beach, Waverley Beach and Waiinu Beach, and a campground at Lake Rotorangi (Pātea Dam).

The management and operation of these facilities varies. The Ōpunakē and Pātea Beach Holiday Parks are leased to private operators; Waverley Beach, Waiinu Beach and Hāwera Holiday Parks are managed in-house and we employ a part time custodian at Waiinu over the summer period when demand is high. The Lake Rotorangi Campground is managed by a voluntary Trust in partnership with the Council.

The Kaūpokonui Beach Motor Camp is supported through a partnership with the Kaūpokonui Beach Society, which manages this facility and reinvests the income from the bach rentals in the development of the reserve.

Significant Negative Effects

There are no significant negative effects from the delivery of this activity.

Ngā Urupā

Cemeteries

What we do

We actively manage ten cemeteries across the District and own the Armed Constabulary Cemetery on the bank of the Ōpunakē Lake. We own the land at the Rāhotu and Waverley Cemeteries, which are managed by Trusts, and we provide an annual grant to the Waverley Cemetery Trust.

As well as the land for burials we also manage the associated roading, car parks, toilet blocks, rubbish bins, concrete berms and lowering devices required for proper management of cemeteries.

Significant Negative Effects

The Cemeteries activity has minor negative impacts.

Significant Negatve Effect	Sustainable Solution
Discrepancies in the allocation of burial plots can have a negative effect on public confidence in the Council's management of cemeteries, as well as a direct impact on the families involved.	Maintaining accurate, up-to-date records including an annual programme of checking and cross-referencing burial data to make sure it is correct (cemetery surveys). Maintaining close working relationships with contractors and funeral directors.

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Cemeteries are tidy and well maintained					
Satisfaction with tidiness and maintenance of cemeteries *(Performance Measure 10)*	(C) % of customers satisfied with the tidiness and level of maintenance at Cemeteries.	≥95%	Achieved 96% (target ≥ 95%)	Achieved (97%). The Annual Residents' Survey recorded that 97% of respondents were satisfied with the level of maintenance at Cemeteries	✓
Internments are managed with respect and sensitivity					
Satisfaction with interment processes *(Performance Measure 11)*	(C) Number of complaints regarding interment processes.	≤ 3	Achieved 0 (Target ≤ 3)	Achieved (1). One complaint was received about an incident that occurred due to a contractor error. The matter was resolved.	✓

Ngā Ara Hīkoi

Pathways

What we do

Our Pathways Strategy has a programme of pathway developments that will provide additional recreational opportunities for the community and visitors. We work with key stakeholders to develop these new pathways (walkways/cycleways) identified by the community and prioritised by the Council, and improve our existing pathways.

Significant Negative Effects

Gaining the required permissions to build new Pathways can be extremely time consuming for staff and not all residents are happy to have pathways developed through or next to their land.

Whare Atawhai Kaumatua

Housing for the Elderly

What we do

We have 65 housing units for older people across the District. We are committed to providing safe, comfortable and affordable accommodation for our tenants. Our Housing for the Elderly Policy adopted on 28 June 2022 contains a requirement for the housing to meet current legislative standards and all units except one have a separate bedroom.

We manage the tenancies and provide a support service to help tenants live independently in their communities. This includes regular visits to tenants and support to access appropriate health and social services.

Significant Negative Effects

Demand for older people's housing is projected to increase and housing is often not available at the time when potential residents need it. There are also sometimes issues between residents.

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Council will provide well maintained and fit for purpose Housing for the Elderly					
Housing units are rated good to very good *(Performance Measure 14)*	(T) % of Housing units are rated good to very good using the minimum standards included in the Housing for the Elderly Policy.	95%	Achieved 100% (target 90%)	Achieved (100%). 100% of units are rated good to very good.	✓
% of Housing Units that meet the Residential Tenancies Healthy Homes Standards 2019 *(Performance Measure 15)*	% of Housing units that meet the Residential Tenancies Healthy Homes Standards 2019.	80%	Achieved (100%) (target 50%)	Not achieved (64%). 57 of our 72 rental units have extraction fans in bathrooms and kitchens. The last 15 are in progress and will be completed by 30 September 2023.	✗
Satisfaction with the standard of maintenance *(Performance Measure 16)*	(C) % of tenants satisfied with the standard of their accommodation.	95%	Achieved 100% (target 95%)	Not achieved (93%). 58% of tenants responded to the annual survey. 93% of respondents were happy with their units and the upgrades and maintenance carried out to date. The dissatisfaction issues raised by the respondents are being remedied.	✗

Ngā Huhua Kaunihera
Community Facilities

Funding Impact Statement for Ngā Huhua Kaunihera | Community Facilities

South Taranaki District Council Funding Impact Statement – Community Facilities for the year ended 30 June 2023.

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of Operating Funding		
5,702	5,636	General Rates, uniform annual general charges, rates penalties	6,072	5,934
0	0	Targeted Rates	0	0
37	7	Subsidies and grants for operating purposes	16	7
1,517	1,580	Fees and Charges	2,001	1,626
1	0	Internal Charges and Overheads Recovered	0	0
2,964	2,914	Local authorities fuel tax, fines, infringement fees and other receipts	2,980	2,922
10,221	**10,137**	**Total operating funding (A)**	**11,068**	**10,490**
		Applications of operating funding		
5,833	5,974	Payments to staff and suppliers	6,917	6,231
1,025	831	Finance costs	1,192	722
1,431	1,448	Internal charges and overheads applied	1,722	1,551
1	1	Operating funding applications	1	1
8,291	**8,255**	**Total applications of operating funding (B)**	**9,832**	**8,505**
1,930	**1,882**	**Surplus (deficit) of operation funding (A-B)**	**1,236**	**1,985**

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of capital funding		
0	32	Subsidies and grants for capital expenditure	11	1
0	0	Development and financial contributions	0	0
(230)	481	Increase (decrease) in debt	(75)	(120)
0	0	Gross proceeds from sale of assets	0	0
76	(0)	Lump sum contributions	8	0
0	0	Other dedicated capital funding	0	0
(154)	**513**	**Total sources of capital funding (C)**	**(56)**	**(119)**
		Applications of capital funding		
0	0	- To meet additional demand	0	0
889	223	- To improve the level of service	612	270
836	2,326	- To replace existing assets	1,122	1,857
51	(155)	Increase (decrease) in reserves	(554)	(261)
0	0	Increase (decrease) in investments	0	0
1,776	**2,395**	**Total applications of capital funding (D)**	**1,180**	**1,866**
(1,930)	**(1,882)**	**Surplus (deficit) of capital funding (C-D)**	**(1,236)**	**(1,984)**
0	**(0)**	**Funding Balance ((A-B) + (C-D))**	**0**	**0**
3,002	2,776	Excludes Depreciation of:	3,226	2,908

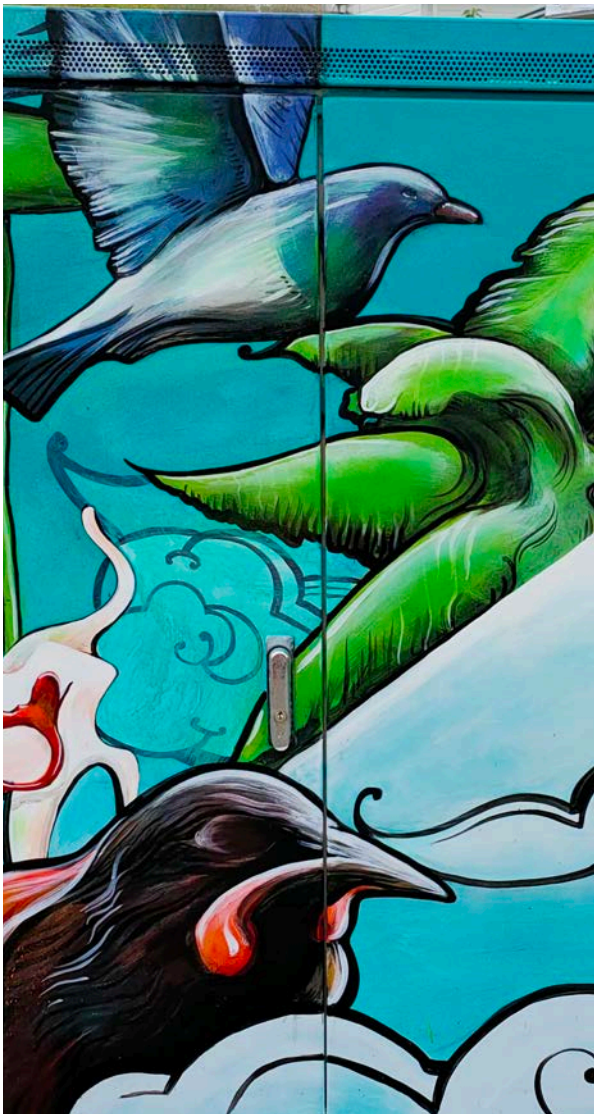
The above Statement includes interest of $10,189 and loan repayments of $39,212 on internal borrowings. The outstanding balance of the internal loan is $222,037.

Ngā mahi ā-Toi me Rēhia
Arts and Culture

Why we do it

The Arts, Culture and Heritage activity allows us to build vibrant communities and enables people to be connected and informed through opportunities to participate in creative outlets and by honouring and protecting the past. Our seven LibraryPlus centres provide access to a wide range of free services, information and recreational resources. Professional support, co-ordination and facilitation for creative activities enhance our cultural diversity, while District heritage services increase our communities' sense of identity and encourage the protection of our heritage.

Ratonga Toi
Arts



What we do

We provide a point of co-ordination for the creative community and offer professional advice and facilitation to increase the visibility of art throughout the District. Annual projects include the Council Art Lease Programme and curated exhibitions at community art galleries. On-going collaborative projects include the Taranaki Art Awards, Arts in the Park, Paepae in the Park and the Creative Communities Funding Committee.

Significant Negative Effects

There are no significant negative effects from the delivery of this activity.

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Opportunities are provided to participate in arts activities					
Number of programmes or projects facilitated or supported per annum (Performance Measure 1)	(T) Number of programmes or projects facilitated or supported per annum.	10	Achieved. 10 (target 10)	Achieved (13). 13 events/projects were facilitated for the year.	✓

Aotea Utanganui – Te Whare Taonga o Taranaki ki te Tonga

Aotea Utanganui - Museum of South Taranaki

What we do

We partner with the South Taranaki District Museum Trust to provide District heritage services through the management of Aotea Utanganui – Museum of South Taranaki. The Trust owns the Museum and the collection, and we manage the Museum operations through a formal partnership. We provide professional advice and support to the Trust, as well as to individuals and groups that wish to preserve their tāonga, objects and archives. We actively promote the District's heritage, the Museum and its activities. There is also provision for travelling exhibitions around the District to take the Museum to the people.

Significant Negative Effects

There are no significant negative effects from the delivery of this activity.

Whare Pukapuka Āpitihanga

LibraryPlus

What we do

Our seven LibraryPlus centres provide a free lending service to all residents and other services include literacy, housebound book service, local history and heritage, book clubs, activities and programmes for all age groups. They also provide local access to a range of Council services (such as dog registrations and rates payments) and a public space that is warm, safe and inviting.

The library collection consists of books, eBooks, eAudio, graphic novels and magazines. The libraries provide an online presence through www.southtaranaki. com, which enables borrowers to reserve and/or renew items, check the catalogue, and access online newspapers and resources. Users can communicate with the libraries on Facebook, Twitter, Pinterest and the LibraryPlus blog. A partnership with the Aotearoa People's Network Kaharoa enables free internet access for all residents and visitors.

We have a library management software service with the Stratford Library through a shared services agreement that allows users to seamlessly borrow from any South Taranaki or Stratford Library and return items to any branch.

Significant Negative Effects

There are no significant negative effects from the delivery of this activity.

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
LibraryPlus facilities are well resourced and have friendly, helpful staff					
Satisfaction with facilities and customer service *(Performance Measure 2)*	(C) % of customers satisfied with facilities and customer service.	≥ 96%	Achieved. 98% (target ≥ 96%)	Achieved (96%). The Annual Residents' Survey recorded that 96% of respondents were satisfied with the facilities and customer service of LibraryPlus Centres.	✓
LibraryPlus materials and resources are relevant to the community's current information and leisure needs					
Satisfaction with materials, resources and information provided *(Performance Measure 5)*	(C) % of customers satisfied with materials, resources and information provided.	≥ 96%	Achieved. 98% (target ≥ 96%)	Achieved (96%). The Annual Residents' Survey recorded that 96% of respondents were satisfied with the materials, resources and information provided.	✓

Arts and Culture

Funding Impact Statement for Ngā mahi ā-Toi me Rēhia | Arts and Culture

South Taranaki District Council Funding Impact Statement – Arts and Culture for the year ended 30 June 2023.

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of Operating Funding		
2,873	2,843	General Rates, uniform annual general charges, rates penalties	2,859	2,957
0	0	Targeted Rates	0	0
87	41	Subsidies and grants for operating purposes	7	41
21	27	Fees and Charges	21	61
0	0	Internal Charges and Overheads Recovered	0	0
697	591	Local authorities fuel tax, fines, infringement fees and other receipts	635	600
3,678	**3,501**	**Total operating funding (A)**	**3,522**	**3,658**
		Applications of operating funding		
2,123	2,078	Payments to staff and suppliers	2,115	2,142
29	24	Finance costs	35	20
994	1,029	Internal charges and overheads applied	1,188	1,135
0	0	Operating funding applications	25	0
3,146	**3,131**	**Total applications of operating funding (B)**	**3,363**	**3,297**
532	**370**	**Surplus (deficit) of operation funding (A-B)**	**159**	**361**

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of capital funding		
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
(48)	(45)	Increase (decrease) in debt	(48)	(45)
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
(48)	**(45)**	**Total sources of capital funding (C)**	**(48)**	**(45)**
		Applications of capital funding		
0	0	- To meet additional demand	0	0
3	0	- To improve the level of service	53	0
278	313	- To replace existing assets	313	325
203	12	Increase (decrease) in reserves	(256)	(9)
0	0	Increase (decrease) in investments	0	0
484	**325**	**Total applications of capital funding (D)**	**111**	**316**
(532)	**(370)**	**Surplus (deficit) of capital funding (C-D)**	**(159)**	**(361)**
0	**0**	**Funding Balance ((A-B) + (C-D))**	**0**	**0**
439	407	Excludes Depreciation of:	473	372

The above Statement includes interest of $7,748 and loan repayments of $32,571 on internal borrowings. The outstanding balance of the internal loan is $166,093.

Ōhanga-ā-Rohe
District Economy

Why we do it

District Economy allows us to create a vibrant and prosperous environment for residents and visitors, which is a key community outcome for us. The Economic Development activity seeks to contribute to this outcome by supporting new and existing businesses to develop and grow.

Tourism promotion attracts visitors who stay in our accommodation, visit our attractions and use other services such as petrol stations, restaurants and retail stores. Visitors also add to the vibrancy and cultural vitality of our District through interaction with residents and mixing of their cultures into our lives.

Events provide the community with a range of entertainment, cultural and recreational activities that contribute to the vitality and uniqueness of our communities, making them more attractive to current and prospective residents.

Whakawhanake Ohanga

Economic Development

What we do

We support the economic growth of the District through our Economic Development Strategy, which identifies our role in economic development and highlights issues and opportunities for the District.

We have contributed to the development of Tapuae Roa, the Taranaki Regional Economic Development Strategy. The core focus of Tapuae Roa is people – it is people that take economies forward. We are also a partner in Taranaki 2050, the transition to a low emissions economy.

We have a partnership with Venture Taranaki Trust, a regional development agency with priorities to provide a strategic and focused approach to regional economic development.

The Hāwera Town Centre Strategy includes a series of specific actions to enable positive change to take place in the Hāwera Town Centre over time. The creation of Campbell Lane and Korimako Lane, Te Ramanui o Ruapūtahanga development and the realignment of various roading networks in the centre are evidence of the momentum and success of the Strategy.

We hope our investment in infrastructure in the Hāwera town centre will be a catalyst for other investors, property owners and businesspeople to further enhance and grow the economic base of Hāwera and the District through investment. We are also open to discussions with investors on possible joint venture opportunities if there is proven benefit for the betterment of the District.

Significant Negative Effects

There are no significant negative effects from the delivery of this activity.

How we performed

Level of Service	Performance Measure	Target 2021/22	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Existing or new businesses are supported and assisted to grow					
Number of client interactions with the Business Advisory Service *(Performance Measure 1)*	(T) Number of unique visitors to the South Taranaki digital business hub per annum.	10,000	Not achieved 1,058 (target 6,000)	Not achieved (976).	✗
South Taranaki is promoted as a great place to invest and do business					
Number of promotions about investing and doing business in South Taranaki per annum. *(Performance Measure 2)*	(T) Number of promotions about investing and doing business in South Taranaki per annum.	7	Achieved 8 (target 6)	Achieved (8). There were 8 promotions about investing and doing business in South Taranaki for the year.Te W'anake The Foundry featured in NZ Entrepreneur in April. The article promoted the enterprise hub and coworking space to a national audience of entrepreneurs and business owners. Rebel Business School Aotearoa returned to Taranaki from May 22 – June 2 to provide a free 10-day startup business course. Promotions happened throughout April and May to attract participants.	✓

Tāpoi me ngā Mahi Manawareka

Tourism and Events

What we do

The South Taranaki isite visitor centre promotes the District's attractions and facilities to visitors to the area and local residents. The isite is a member of i-SITE New Zealand national network and holds and maintains Qualmark accreditation. In conjunction with the other territorial authorities in Taranaki, we have a partnership with the Region's economic development and tourism agency, Venture Taranaki Trust, to develop tourism businesses, increase the number of quality tourism experiences the Region has to offer and attract visitors through promotional activities.

We support and organise a range of events throughout the District through sponsorship, ticketing and bookings, facilitation of a local element of regional/national events, promotions and marketing support or complete organisation of an event. We also work to attract events to the District that not only add vibrancy and enrich our communities but also attract visitors and add economic benefits to our businesses.

Significant Negative Effects

Freedom camping can have a negative effect on the environment; however, this is managed through Kaitiaki (Ambassadors) who monitor freedom camping sites over the summer to ensure the Freedom Camping Bylaw is being adhered to.

Tāpoi me ngā Mahi Manawareka

Tourism and Events

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Customers are satisfied with the level of service they received at the i-SITE					
Maintenance of Qualmark Accreditation *(Performance Measure 3)*	(T) Qualmark accreditation is maintained.	Held	Achieved Qualmark held (Target Held)	Achieved (held)	✓
Council will provide, encourage and/or support events within the District					
Number of events Council has provided or supported per year *(Performance Measure 4)*	(T) Minimum number of events Council has provided or supported per annum.	≥ 10	Achieved 12 (target ≥ 10)	Achieved (22). 22 Council events were held during the year.	✓
Council events are well organised and well attended					
Satisfaction with selected Council events *(Performance Measure 5)*	(C) % of attendees satisfied with selected Council events.	≥ 90%	Achieved 95% (target ≥ 90%)	Achieved (95%) Customer surveys were undertaken at Sounds on the Sand, Concerts in the Park and Eltham Movie events. 95% of respondents said the Council events were well organised and well attended.	✓

Ōhanga-ā-Rohe
District Economy

Funding Impact Statement for Ohanga-a-Roe | District Economy

South Taranaki District Council Funding Impact Statement – District Economy for the year ended 30 June 2023.

Acutal 2022 ($000)	2021-31 LTP 2021 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of Operating Funding		
1,165	1,153	General Rates, uniform annual general charges, rates penalties	1,182	1,270
169	169	Targeted Rates	167	172
13	0	Subsidies and grants for operating purposes	30	0
99	102	Fees and Charges	146	106
7	45	Internal Charges and Overheads Recovered	30	46
229	1,035	Local authorities fuel tax, fines, infringement fees and other receipts	305	1,055
1,682	**2,504**	**Total operating funding (A)**	**1,862**	**2,649**
		Applications of operating funding		
982	1,095	Payments to staff and suppliers	1,297	1,143
263	292	Finance costs	307	267
335	334	Internal charges and overheads applied	387	359
199	289	Operating funding applications	200	292
1,780	**2,009**	**Total applications of operating funding (B)**	**2,192**	**2,061**
(98)	**495**	**Surplus (deficit) of operation funding (A-B)**	**(330)**	**588**

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of capital funding		
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
(187)	1,340	Increase (decrease) in debt	(23)	(551)
0	0	Gross proceeds from sale of assets	0	0
1,800	0	Lump sum contributions	188	0
0	0	Other dedicated capital funding	0	0
1,613	**1,340**	**Total sources of capital funding (C)**	**165**	**(551)**
		Applications of capital funding		
0	0	- To meet additional demand	0	0
993	5,055	- To improve the level of service	4,675	2,219
0	0	- To replace existing assets	8	12
523	(2,863)	Increase (decrease) in reserves	(4,849)	(1,554)
0	(357)	Increase (decrease) in investments	0	(639)
1,516	**1,835**	**Total applications of capital funding (D)**	**(166)**	**38**
98	**(495)**	**Surplus (deficit) of capital funding (C-D)**	**330**	**(588)**
0	**0**	**Funding Balance ((A-B) + (C-D))**	**0**	**0**
46	438	Excludes Depreciation of:	41	517

The above Statement includes interest of $1,185 and loan repayments of $4,342 on internal borrowings. The outstanding balance of the internal loan is $26,052.

Whakawhanake Hapori me te Tautoko
Community Development and Support

Why we do it

We work in partnership with our communities to ensure their views and aspirations are considered, and they are supported to develop and implement projects that improve their wellbeing and contribute to our community outcomes. We are committed to delivering a safe, resilient, informed and connected community.

Whakawhanake Hapori me te Tautoko

Community Development and Support

What we do

We work alongside our communities to provide, encourage and support projects and activities that enhance the District's wellbeing. To achieve these objectives, we actively engage with members of the community to identify and achieve the outcomes they desire for themselves.

We administer the South Taranaki Creative Communities Scheme and Sport NZ Rural Travel Fund on behalf of central Government and a number of Council funds including the Community Board Local Discretionary Fund, Tangata Whenua Liaison Fund, Waimate Development Levy, Pātea Centennial Bursary, and grants to rural halls and community surveillance systems. Our Community Funding Policy outlines the funding available and provides a guide for the community on all the funds co-ordinated by the Council.

Through the Mayors' Taskforce for Jobs forum, we support and promote local employment opportunities and celebrate young people's workplace achievements.

Significant Negative Effects

There are no significant negative effects from the delivery of this activity.

How we performed

Level of Service	Performance Measure	Target 2021/22	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Communities and the Council are supported to develop and implement projects that improve the District's wellbeing					
Support for Council projects and activities (Performance Measure 1)	(T) Number of community and Council projects and activities provided, encouraged and supported.	≥ 25	Achieved 28 (target ≥ 25)	Achieved (34). 34 projects and activities were supported for the year. Community enquiries continue to build as people feel more confident to participate post COVID-19. Our regular calendar of events has started again, and we were able to hold two events (MTFJ ITO Graduation and Volunteers Day celebrations) which had not been held in real-time venues because of social distancing restrictions etc.	✓

Community Development and Support

Funding Impact Statement for Whakawhanake Hapori me te Tautoko | Community Development and Support

South Taranaki District Council Funding Impact Statement – Community Development and Support for the year ended 30 June 2023.

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of Operating Funding		
1,044	1,032	General Rates, uniform annual general charges, rates penalties	1,078	1,052
0	0	Targeted Rates	0	0
527	0	Subsidies and grants for operating purposes	403	0
0	0	Fees and Charges	0	0
0	0	Internal Charges and Overheads Recovered	0	0
267	272	Local authorities fuel tax, fines, infringement fees and other receipts	277	263
1,837	**1,304**	**Total operating funding (A)**	**1,758**	**1,315**
		Applications of operating funding		
862	397	Payments to staff and suppliers	745	398
50	37	Finance costs	57	33
269	262	Internal charges and overheads applied	318	288
548	560	Operating funding applications	674	562
1,729	**1,257**	**Total applications of operating funding (B)**	**1,794**	**1,281**
108	**48**	**Surplus (deficit) of operation funding (A-B)**	**(36)**	**35**

Acutal 2022 ($000)	2021-31 LTP 2021 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of capital funding		
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
(28)	(41)	Increase (decrease) in debt	(28)	(28)
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
(28)	**(41)**	**Total sources of capital funding (C)**	**(28)**	**(28)**
		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
80	6	Increase (decrease) in reserves	(64)	7
0	0	Increase (decrease) in investments	0	0
80	**6**	**Total applications of capital funding (D)**	**(64)**	**7**
(108)	**(48)**	**Surplus (deficit) of capital funding (C-D)**	**36**	**(35)**
0	**0**	**Funding Balance ((A-B) + (C-D))**	**0**	**0**
1	1	Excludes Depreciation of:	0	1

Ratonga Wakaature
Regulatory Services

Activities in this group include: Building Control / Planning / Environmental Health - Licensing - Food, Alcohol and Gambling / Animal Services and Nuisance Control / Parking Control

Why we do it

The purpose of this activity is to protect the environment and the people that live in it. We mainly do this through the administration of a broad range of statutory functions. The group has a service delivery role across numerous statutes with all five functions working together towards maintaining an attractive place for people to live and do business, and an environment where they feel safe.

Whare Hangatika

Building Control

What we do

The Building Control activity manages the processing of building consent applications and inspecting building work for around 600 applications each year. We are available to provide information to customers regarding compliance for building projects and undertake monitoring for compliance of buildings used by members of the public, dangerous and earthquake prone buildings, and residential pools.

Significant Negative Effects

There are no significant negative effects from the delivery of this activity.

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Building Consents are processed efficiently					
Building Consent applications processed within specified timeframe *(Performance Measure 1)*	(T) % of building consent applications processed within the statutory timeframe of 20 working days.	100%	Not achieved. 73.3% (target 100%)	Not achieved (81.7%). 574 building consents were processed for the year, 469 (81.7%) within statutory timeframe.	✗
Customers receive industry recognised quality service					
Building inspections carried out within specified timeframe *(Performance Measure 2)*	(T) % of building inspections carried out within 2 working days of request.	≥ 95%	Achieved 100% (target 95%)	Achieved (99.5%). 2,916 building consent inspections were carried out for the year, 99.5% within 2 working days timeframe.	✓
The Council retains authority to issue building consents					
Accreditation as a Building Consent Authority *(Performance Measure 3)*	(T) Accreditation as a Building Consent Authority is retained.	Retained	Achieved Accreditation retained (Target Retained)	Achieved (Retained). Accreditation as a Building Control Authority is current. The IANZ audit was completed in June 2023, which resulted in the BCA Council retaining a low-risk accreditation. This means no special audits were required and the next audit is scheduled for 2025.	✓

Whakamahere

Planning

What we do

The Planning activity involves applying the provisions of the South Taranaki District Plan. In particular it provides advice on subdivision and land use activities, processes applications for resource consent when proposed activities fall outside of the environmental controls jointly established by the community and the Council, and monitoring compliance with the District Plan and resource consent conditions.

We develop environmental policy to promote sustainable management of the environment through the District Plan, which controls the way we use, subdivide and develop land in the District. It identifies where activities can take place, what land can be developed and what special features of our District should be protected for the benefit of the whole community. Environmental policy involves providing funding assistance to people protecting areas of indigenous vegetation or habitats of indigenous fauna.

Significant Negative Effects

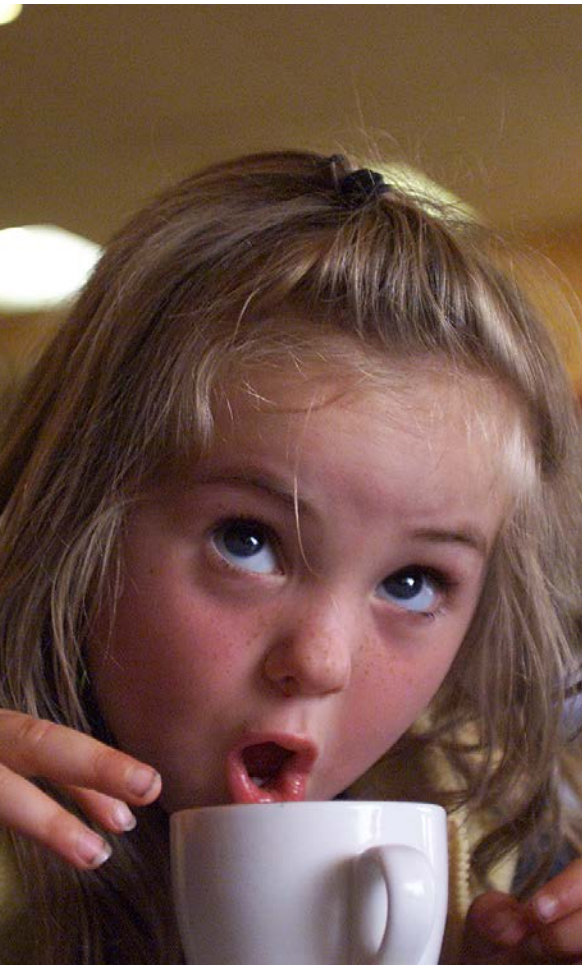
There are no significant negative effects from the delivery of this activity. Planning aims to reduce negative effects on the environment.

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Consents for subdivisions and development are processed in a timely manner					
Resource consent applications processed within specified timeframes *(Performance Measure 4)*	(T) % of resource consent applications processed within statutory timeframes.	100%	Not achieved 98% (target 100%)	Not achieved (97.8%). 183 resource consents were granted, 179 (97.8%) within the statutory timeframe.	✗
Customers receive industry recognised quality service					
Consents monitored within specified timeframe *(Performance Measure 5)*	(T) Consents are monitored by their due date.	≥ 90%	Achieved 100% (target ≥ 90%)	Achieved (100%). 196 consents were monitored for the year, all within the required timeframe.	✓

Haumaru Taiao – Raihana – Kai, Waipiro me te Petipeti

Environmental Health - Licensing - Food, Alcohol and Gambling



What we do

Our Environmental Health activity protects the community by registering and inspecting premises that prepare or sell food; hairdressers, funeral homes and offensive trades; investigating complaints about consumed food including the manner of its preparation and the state of premises used for food preparation; educating food premises operators and residents about food safety; and investigating nuisances such as dumping of rubbish and other health risks.

The activity aims to protect public health through providing reports for the purposes of the Sale and Supply of Alcohol Act 2012 and licensing and monitoring for compliance with the licence conditions of the Act. This includes issuing on, off, club and special liquor licences and manager's certificates. It also involves developing partnership strategies with the Police and the Taranaki District Health Board to reduce liquor abuse and promote host responsibility. We are required to operate a District Licensing Committee to determine all new and renewal applications for licences and certificates, which may involve public hearings for opposed applications.

Under this activity we control and manage the number of Class 4 gaming venues in our District. We also develop and administer gambling policies for Class 4 venues (gaming machine venues) and Board venues (TAB).

Significant Negative Effects

There are no significant negative effects from the delivery of this activity.

Haumaru Taiao – Raihana – Kai, Waipiro me te Petipeti

Environmental Health - Licensing - Food, Alcohol and Gambling

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
New food premises can open to the public quickly and exisiting food premises can continue to trade					
New/renewal premises applications processed within specified timeframe *(Performance Measure 7)*	(T) % of new premises and renewal premises applications processed within 10 working days.	≥ 95%	Achieved 100% (target ≥ 95%)	Achieved (100%). All 21 premises' applications were processed within 10 working days for the year.	✓
Food premises are hygienic, and food sold to the public is safe to eat					
Licensed premises that are audited within specified timeframe *(Performance Measure 8)*	(T) % of licensed premises that are audited within 1 month of the due date.	≥ 95%	Achieved. 100% (target ≥ 95%)	Achieved (100%). All 111 premises were audited within 1 month for the year.	✓
Hairdressers, camping grounds/holiday parks, funeral homes and offensive trade premises are hygienically safe					
Number of licensed premises inspected annually *(Performance Measure 9)*	(T) % of licensed premises that are inspected annually.	≥ 95%	Achieved. 96% (target ≥ 95%)	Achieved (100%). All of the 70 premises (100%) received an inspection for the year. All premises are allocated one inspection throughout the year.	✓
Premises selling alcohol to the public are licensed and are running their business responsibly					
Annual inspections of licensed premises *(Performance Measure 10)*	(T) % of licensed premises that are inspected.	≥ 95%	Achieved. 100% (target ≥ 95%)	Achieved (100%). All 85 licensed premises had a compliance visit during the financial year.	✓
Unopposed liquor licence applications are processed promptly					
Unopposed liquor licence applications processed within specified timeframe *(Performance Measure 11)*	(T) % of unopposed alcohol licence applications processed within 10 working days of receipt of all reports.	≥ 95%	Achieved. 98% (target ≥ 95%)	Achieved (100%). All 48 applications received for the year were processed within 10 working days.	✓

Ratonga Kararehe me ngā Whakarata Pōrearea

Animal Services and Nuisance Control

What we do

Animal Services involves requiring all dogs to be registered; responding to and investigating complaints of dogs roaming, barking or attacking; making special provision for dangerous and menacing dogs; educating owners to be more aware of their responsibilities so that their dogs do not cause a nuisance or injury to people, stock, domestic animals or protected wildlife, and responding to and investigating complaints of wandering stock.

We own and operate a pound in Hāwera.

This 24 hour, seven days a week service includes responding to and investigating noise complaints, the issuing of excessive noise direction notices, abatement notices and infringements, and the seizure of the noise generating equipment when excessive noise is detected.

Significant Negative Effects

There are no significant negative effects from the delivery of this activity.

Ratonga Kararehe me ngā Whakarata Pōrearea

Animal Services and Nuisance Control

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Residents are satisfied with the Animal Control service					
Residents satisfied with the Animal Control service *(Performance Measure 12)*	(C) % of residents satisfied with the Animal Control service.	≥ 75%	Achieved 76% (target ≥ 75%)	Not achieved (73%). The Annual Residents' Survey recorded that 73% of respondents were satisfied with the Animal Control service.	✗
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					
Reported serious dog or wandering stock incidents responded to within specified timeframe *(Performance Measure 13)*	(T) % of reported serious dog or wandering stock incidents responded to within 4 hours.	≥ 95%	Not achieved 93% (target ≥ 95%)	Not achieved (85%). For the year, 180 of 213 (85%) incidents were responded to within 4 hours.	✗
Areliable and responsive animal control service that investigates general dog* *incidents					
Reported general dog incidents responded to within specified timeframe *(Performance Measure 14)*	(T) % of reported general dog incidents responded to within 1 working day.	≥ 95%	Not achieved 87% ≥ 95%	Not achieved (84%). For the year, 1,125 of the 1,341 incidents (84%) were responded to within 1 working day.	✗
Provide a prompt and reliable noise control service 24 hours a day, 7 days a week					
Noise complaints responded to within specified timefram *(Performance Measure 15)*	(T) % of noise complaints responded to within one hour.	≥ 90%	Not achieved 89% (target ≥ 90%)	Not achieved (86%). For the year, 532 of the 618 (86%) complaints received were responded to within one hour.	✗

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

Kaiwhakarata Ūnga waka

Parking Control

What we do

This 30 hours, five days per week service involves patrolling the central business districts of our towns, responding to parking complaints, education and the issuing of warning notices and infringement notices. The main purpose is to ensure there are enough parking spaces available to meet demand.

Significant Negative Effects

There are no significant negative effects from the delivery of this activity.

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Parking is monitored within the Hāwera CBD and surrounding townships					
Correct issuing of parking infringements *(Performance Measure 6)*	(T) % of Parking infringements correctly issued.	95%	Achieved 100% (target 95%)	Achieved (100%). All 1,326 parking infringements for the year were issued correctly.	✓

Regulatory Services

Funding Impact Statement for Ratonga Wakaature | Regulatory Services

South Taranaki District Council Funding Impact Statement – Regulatory Services for the year ended 30 June 2023.

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of Operating Funding		
1,149	1,136	General Rates, uniform annual general charges, rates penalties	1,284	1,200
0	0	Targeted Rates	0	0
0	0	Subsidies and grants for operating purposes	0	0
2,151	2,131	Fees and Charges	2,096	2,227
0	0	Internal Charges and Overheads Recovered	1	0
505	216	Local authorities fuel tax, fines, infringement fees and other receipts	1,163	220
3,805	**3,484**	**Total operating funding (A)**	**4,543**	**3,647**
		Applications of operating funding		
2,867	2,222	Payments to staff and suppliers	3,689	2,322
12	17	Finance costs	27	14
1,470	1,171	Internal charges and overheads applied	1,695	1,265
0	0	Operating funding applications	0	0
4,349	**3,409**	**Total applications of operating funding (B)**	**5,411**	**3,600**
(545)	**74**	**Surplus (deficit) of operation funding (A-B)**	**(868)**	**47**

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of capital funding		
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
14	144	Increase (decrease) in debt	1,060	(21)
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
14	**144**	**Total sources of capital funding (C)**	**1,060**	**(21)**
		Applications of capital funding		
0	0	- To meet additional demand	0	0
21	146	- To improve the level of service	225	0
19	24	- To replace existing assets	9	11
(571)	48	Increase (decrease) in reserves	(42)	15
0	0	Increase (decrease) in investments	0	0
(531)	**218**	**Total applications of capital funding (D)**	**192**	**26**
545	**(74)**	**Surplus (deficit) of capital funding (C-D)**	**868**	**(47)**
0	**0**	**Funding Balance ((A-B) + (C-D))**	**0**	**0**
31	70	Excludes Depreciation of:	17	84

Tiaki Taiao
Environmental Management

Why we do it

To protect the environment and the people that live in it, we administer a broad range of statutory functions. This activity leads our response to climate change, carbon zero and waste minimisation, maintains the District Plan and coordinates our responsibilities under the Civil Defence Emergency Management Act.

Taiao me te Toitū

Environment and Sustainability

What we do

We manage our Environment and Sustainability Strategy and the current LTP has seen the start of its implementation. Its activities, actions and work programmes ensure that we address our communities' desire for improved environmentally sustainable outcomes, we remain compliant with new and developing legislative requirements and take a consistent cross-organisational approach to embedding environmental sustainability initiatives across our activities.

Significant Negative Effects

Some environmental sustainability initiatives and projects may seem expensive and time consuming to some people. However, not investing in improved environmental sustainability will lock in negative environmental and climate change impacts for future generations.

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Reduction in our organisational emissions.	(T) % decrease in organisational emissions year on year.	Target 10% decrease in emissions from baseline	Data not available	Not measured This is a new measure established in 2021/22, and is a long term target to reduce 10% of CO2-e from the baseline year of 2019/2020 by 2030/2031. 1216 tonnes of CO_2 -e was established from the baseline year of 2019/2020. Emissions data for 2021/22 is currently being collated and analysed, but will not be independently audited until December 2023. A separate consultant will develop a decarbonisation plan, and more detail will be provided in the 2024-34 Long-Term Plan.	
** Quantifying Green House Gas (GNG) emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.*					
Damage to our natural environments is prevented or mitigated.	(T) No unapproved loss of indigenous vegetation across the District.	0% loss	New measure Total loss of indigenous vegetation for the South Taranaki District between 2001-2018: 1521ha (Target 0% loss)	Achieved. No incidents of illegal vegetation clearance reported for the year.	✓

Kaupapa Here Taiao

Environmental Policy

What we do

Environmental Policy involves promoting sustainable management of the environment through the District Plan, which controls the way we use, subdivide and develop land in the District. It identifies where activities can take place, what land can be developed and what special features of our District should be protected for the benefit of the whole community

Significant Negative Effects

District Plans are expensive to review and maintain.

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Growth and development are planned while our natural and physical resources are managed in a sustainable manner					
Plan Changes and Variations to the District Plan are undertaken in accordance with legislative timeframes *(Performance Measure 3)*	(T) The Plan Changes and Variations to the District Plan are undertaken in accordance with legislative timeframes.	Achieved	In progress. A required update to the District Plan to reflect the National Policy Statement for Urban Development is pending and needs to be completed to the satisfaction of MfE by the end of the financial year. This is in addition to the schedule 1 plan change process that Council has requested for the South Taranaki Business Park rezoning. (target Achieved)	Achieved A District Plan Change is underway covering mandatory changes required by recent legislative reform, as well as discretionary changes arising from business park development. A private plan change was adopted by Council on 26 June 2023, which is required to be notified within four months of the date of adoption.	✓

Emergency Management

What we do

This activity ensures that the Council and our residents are prepared to respond to, and recover from, a major natural hazard or emergency event. Part of our role involves ensuring we have the resources and information required to help the community respond to, and recover from, a natural disaster or emergency event. This activity includes our work with the Taranaki Civil Defence and Emergency Management Group, under the Civil Defence Emergency Management Act 2002.

Significant Negative Effects

Some civil defence community resilience and preparedness practices may seem expensive and time consuming. Emergency management response and recovery activities may have a temporary adverse effect on community and environmental wellbeing while social systems and infrastructure are being rebuilt following an emergency event.

If our ability to function is severely disrupted during a disaster, we will be unable to provide essential services to the community. A disaster event needing emergency works that we cannot afford to fund within our current budget has the potential to affect our financial position, although this depends on the scale, duration and location of the event. Alongside the Council, central Government also has a role in disaster recovery and restoration works after natural disasters have happened.

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
The Council is ready to respond to a Civil Defence Emergency and is able to function for as long as reuired during an emergency					
Emergency preparedness *(Performance Measure 4)*	(T) Council staff are trained to the appropriate level for Civil Defence Emergency Responses, as agreed by the Civil Defence Emergency Management Group.	> 50% of staff trained	Not achieved 39% of staff trained (target > 50% of staff trained)	Not achieved (50%). The percentage of staff trained was 50% at 30 June 2023.	✗

Environmental Management

Funding Impact Statement for Tiaki Taiao | Environmental Management

South Taranaki District Council Funding Impact Statement – Environmental Management for the year ended 30 June 2023.

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of Operating Funding		
721	715	General Rates, uniform annual general charges, rates penalties	730	698
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 Charges and Overheads Recovered	0	0
126	128	Local authorities fuel tax, fines, infringement fees and other receipts	125	121
847	**843**	**Total operating funding (A)**	**855**	**818**
		Applications of operating funding		
503	472	Payments to staff and suppliers	745	421
4	3	Finance costs	11	4
149	110	Internal charges and overheads applied	173	117
58	65	Operating funding applications	35	65
714	**650**	**Total applications of operating funding (B)**	**964**	**607**
133	**193**	**Surplus (deficit) of operation funding (A-B)**	**(109)**	**211**

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of capital funding		
0	12	Subsidies and grants for capital expenditure	238	12
0	0	Development and financial contributions	0	0
114	80	Increase (decrease) in debt	143	66
0	0	Gross proceeds from sale of assets	0	0
12	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
126	**92**	**Total sources of capital funding (C)**	**381**	**78**
		Applications of capital funding		
0	0	- To meet additional demand	0	0
120	98	- To improve the level of service	175	101
0	0	- To replace existing assets	0	0
139	188	Increase (decrease) in reserves	97	188
0	0	Increase (decrease) in investments	0	0
259	**285**	**Total applications of capital funding (D)**	**272**	**289**
(133)	**(194)**	**Surplus (deficit) of capital funding (C-D)**	**109**	**(211)**
0	**0**	**Funding Balance ((A-B) + (C-D))**	**0**	**0**
1	6	Excludes Depreciation of:	0	24

Ngā Momo Hanga ki Tai
Coastal Structures

Why we do it

The South Taranaki District has a beautiful marine and river environment, and this activity ensures people can access our beaches and lakes and boat users can access the water. To maintain these facilities, we need to protect erosion prone areas close to existing infrastructure, so while this activity is not mandatory, we need to ensure compliance with our resource consents. The maintenance and provision of coastal structures enables us to preserve the environment for future generations.

Ngā Momo Hanga ki Tai

Coastal Structures

What we do

We provide access paths and steps to the sea and a number of boat ramps to allow recreational craft to access water bodies. This activity also provides coastal protection in the form of revetments in a number of places and maintains several significant structures in the Pātea estuary, such as the moles – concrete and stone walls that guide the Pātea River out to sea and limit erosion of land containing strategically important national railway and gas transmission infrastructure.

Significant Negative Effects

Coastal Structures have minimal negative effects on the environment. The majority of coastal structures are seawalls and their presence can cause an "end effect" when a seawall acts like a groyne, in that there may be some gradual accumulation of sand on the updrift side but more often erosion or beach displacement on the downdrift side of the direction of wave approach.

How we performed

Level of Service	Performance Measure	Target 2022/23	Actuals 2021/22	For the year ended 30 June 2023	Achieved
Comply with the Taranaki Regional Council resource consent conditions for coastal structures					
Compliance with resource consent conditions *(Performance Measure 6)*	(T) Number of unresolved breaches.	≤1	Achieved (0) (target ≤ 1)	Achieved (100%). No resource consent conditions were breached during the year.	✓

Ngā Momo Hanga ki Tai
Coastal Structures

Funding Impact Statement for Ngā Momo Hanga ki Tai | Coastal Structures

South Taranaki District Council Funding Impact Statement – Coastal Structures for the year ended 30 June 2023.

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of Operating Funding		
125	124	General Rates, uniform annual general charges, rates penalties	142	94
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 charges and Overheads Recovered	0	0
22	22	Local authorities fuel tax, fines, infringement fees and other receipts	24	16
147	**147**	**Total operating funding (A)**	**166**	**110**
		Applications of operating funding		
34	66	Payments to staff and suppliers	36	24
17	23	Finance costs	26	20
70	22	Internal Charges and overheads applied	73	24
0	0	Operating funding applications	0	0
120	**112**	**Total applications of operating funding (B)**	**135**	**68**
27	**35**	**Surplus (deficit) of operation funding (A-B)**	**31**	**42**

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of capital funding		
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
191	623	Increase (decrease) in debt	118	(19)
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
191	**623**	**Total sources of capital funding (C)**	**118**	**(19)**
		Applications of capital funding		
0	0	- To meet additional demand	0	0
6	0	- To improve the level of service	5	0
222	658	- To replace existing assets	421	11
(10)	0	Increase (decrease) in reserves	(277)	12
0	0	Increase (decrease) in investments	0	0
218	**658**	**Total applications of capital funding (D)**	**149**	**23**
(27)	**(35)**	**Surplus (deficit) of capital funding (C-D)**	**(31)**	**(42)**
0	**0**	**Funding Balance ((A-B) + (C-D))**	**0**	**0**
241	265	Excludes Depreciation of:	761	285

Ngā Mahinga Tōpūranga
Corporate Activities

Activities in this Group include: Audit and Risk / Customer Services / Communications / Finance / Corporate Property / Information Services / People and Capability

Why we do it

Corporate Activities are about the 'internal activities' that support the delivery of our projects, plans and programmes, focussed on delivering effective and efficient services for the organisation and the community. Corporate Activities help us to bring the community together by keeping people informed and connected.

Corporate Activities

Funding Impact Statement for Ngā Mahinga Topuranga | Corporate Activities

South Taranaki District Council Funding Impact Statement – Corporate Activities (Reallocated Activity) for the year ended 30 June 2023.

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of Operating Funding		
87	94	General Rates, uniform annual general charges, rates penalties	(47)	1
255	290	Targeted Rates	253	275
17	12	Subsidies and grants for operating purposes	262	12
665	636	Fees and Charges	600	645
15,555	16,110	Internal Charges and Overheads Recovered	18,107	17,154
(15,964)	2,868	Local authorities fuel tax, fines, infringement fees and other receipts	5,729	2,944
614	**20,011**	**Total operating funding (A)**	**24,904**	**21,032**
		Applications of operating funding		
13,135	12,607	Payments to staff and suppliers	14,446	13,007
397	344	Finance costs	480	297
3,427	3,764	Internal charges and overheads applied	4,271	4,098
83	59	Operating funding applications	121	59
17,042	**16,774**	**Total applications of operating funding (B)**	**19,318**	**17,461**
(16,428)	**3,236**	**Surplus (deficit) of operation funding (A-B)**	**5,586**	**3,570**

Acutal 2022 ($000)	2021-31 LTP 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2021-31 LTP 2023 ($000)
		Sources of capital funding		
0	8	Subsidies and grants for capital expenditure	73	1
585	0	Development and financial contributions	244	0
899	348	Increase (decrease) in debt	(17)	(321)
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
1,484	**356**	**Total sources of capital funding (C)**	**299**	**(320)**
		Applications of capital funding		
0	0	- To meet additional demand	0	0
182	957	- To improve the level of service	8	893
531	1,758	- To replace existing assets	847	1,192
(15,657)	877	Increase (decrease) in reserves	5,031	1,165
0	0	Increase (decrease) in investments	0	0
(14,944)	**3,592**	**Total applications of capital funding (D)**	**5,885**	**3,251**
16,428	**(3,236)**	**Surplus (deficit) of capital funding (C-D)**	**(5,586)**	**(3,570)**
0	**0**	**Funding Balance ((A-B) + (C-D))**	**0**	**0**
1,033	1,216	Excludes Depreciation of:	1,205	1,648

The above Statement includes interest of $13,816 and loan repayments of $50,608 on internal borrowings. The outstanding balance of the internal loan is $303,645..

SOUTH TARANAKI

THE MOST LIVEABLE DISTRICT

Section 4

Te Tauāki Putea
Financial Statements

Funding Impact Statement - Whole of Council

Funding Impact Statement for Whole of Council

South Taranaki District Council Funding Impact Statement – Whole of Council for the year ended 30 June 2023.

Acutal 2022 ($000)	2022 Annual Plan Budget 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2023 Annual Plan Budget ($000)
		Sources of Operating Funding		
17,106	16,931	General Rates, uniform annual general charges, rates penalties	17,886	17,847
27,584	27,117	Targeted Rates	27,088	27,461
7,325	6,246	Subsidies and grants for operating purposes	8,581	5,860
8,002	7,329	Fees and Charges	8,988	8,037
(11,177)	8,457	Interest and dividend from investments	10,165	8,665
2,097	1,707	Local authorities fuel tax, fines, infringement fees and other receipts	2,893	2,426
50,937	**67,787**	**Total operating funding (A)*** **	**75,602**	**70,295**
		Applications of operating funding		
47,847	45,001	Payments to staff and suppliers	55,052	47,525
4,691	4,286	Finance costs*	5,888	4,542
890	975	Other operating funding applications	1,057	1,073
53,429	**50,262**	**Total applications of operating funding (B)*** **	**61,997**	**53,139**
(2,492)	17,525	**Surplus (deficit)of operating funding (A-B)**	**13,606**	**17,156**
28,495	**15,635**	**Surplus (deficit) of operation funding (A-B)**	**(2,492)**	**17,525**

Acutal 2022 ($000)	2022 Annual Plan Budget 2022 ($000)	For the years ended 30th June	Actual 2023 ($000)	2023 Annual Plan Budget ($000)
		Sources of capital funding		
4,545	7,591	Subsidies and grants for capital expenditure	4,324	8,191
585	1,310	Development and financial contributions	244	2,160
1,200	20,773	Increase (decrease) in debt**	8,500	11,430
0	0	Gross proceeds from sale of assets	0	0
8,817	0	Lump sum contributions	2,838	8
0	0	Other dedicated capital funding	0	0
15,148	**29,673**	**Total sources of capital funding (C)**	**15,907**	**21,789**
		Applications of capital funding		
2,101	8,948	- To meet additional demand	6,850	6,682
11,265	25,201	- To improve the level of service	13,763	28,864
15,048	22,513	- To replace existing assets	13,961	18,519
(15,758)	(9,108)	Increase (decrease) in reserves	(5,062)	(8,775)
0	(357)	Increase (decrease) in investments	0	(6,344)
12,655	**47,198**	**Total applications of capital funding (D)**	**29,512**	**38,946**
2,493	**(17,525)**	**Surplus (deficit) of capital funding (C-D)**	**(13,606)**	**(17,156)**
0	**0**	**Funding Balance ((A-B) + (C-D))**	**0**	**0**
19,629	20,292	Excludes Depreciation of:	25,873	21,578

** The finance costs exclude interest of $607,405 on internal borrowings.*
*** The increase/decrease in debt excludes a loan repayment of $1,337,265 on internal borrowings. The outstanding balance of the internal loan is $14,237,214.*
****2022/23 Revenue and Expenditure amounts exclude internal charges of $1.14 million such as Rates and Water by Meter (which the Council charges to itself).*

Te Tauāki Whakapānga Pūtea - Te Kaunihera Katoa

Funding Impact Statement - Whole of Council

Reconciliation to Surplus/(Deficit) before taxation

	Actual 2023 *($000)*	Actual 2022 *($000)*
Surplus (deficit) of operating funding (A-B)	13,606	(2,492)
Subsidies and grants for capital expenditure	4,324	4,545
Development and financial contributions	244	585
Other adjustments	0	0
Loss on disposal of assets	(335)	(1,937)
Vested assets	2,145	0
Lump sum contributions	2,838	8,817
Other dedicated Capital funding	0	0
Gain/(Loss) on derivatives	2,283	10,924
Depreciation	(25,873)	(19,629)
Surplus (Deficit) before taxation	**(768)**	**815**

Te Tauāki Putea

Financial Statements

Statement of Financial Performance for the year ended 30 June 2023

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 2022 ($000)	Consolidated 2022 ($000)	For the years ended 30th June	Note	Council 2023 ($000)	Budget 2023 ($000)	Consolidated 2023 ($000)
		Income	1			
44,512	44,512	Rates Income		44,802	45,120	44,802
31,370	31,370	Other Income		30,014	26,692	30,014
(253)	(253)	Financial Income		12,448	8,655	12,448
0	0	Other Gains		0	0	0
75,629	**75,629**	**Total Income***		**87,264**	**80,467**	**87,264**
		Expenditure	2			
3,471	3,471	Democracy and Leadership		3,681	3,331	3,681
3,580	3,580	Arts and Culture		3,823	3,640	3,823
10,846	10,846	Community Facilities		12,630	11,261	12,630
1,815	1,815	District Economy		2,190	2,641	2,190
1,730	1,730	Community Development		1,794	1,310	1,794
4,380	4,380	Regulatory Services		5,427	3,859	5,427
13,132	13,132	Water Supply		15,272	13,261	15,272
18,707	18,707	Roading and Footpaths		22,459	18,654	22,459
1,321	1,321	Stormwater		1,611	1,412	1,611
7,114	7,114	Wastewater		9,175	6,941	9,175
4,885	4,885	Solid Waste		5,444	5,023	5,444
361	361	Coastal Structures		896	253	896
715	715	Environmental Management		964	857	964
2,758	2,758	Corporate Activities		2,666	2,085	2,666
74,814	**74,814**	**Total Expenditure***		**88,032**	**74,530**	**88,032**
815	**815**	**Surplus Operating (Deficit) before Tax**		**(768)**	**5,936**	**(768)**
		Taxation	3	**0**	**0**	**0**
815	**815**	**Surplus Operating (Deficit) after Tax**		**(768)**	**5,936**	**(768)**

Explanation of Net Surplus

The Council made a net operating deficit of $768,000 against a budgeted surplus of $5,936,000. An explanation of this variance is detailed in the financial commentary.

*2022/23 Revenue and Expenditure amounts exclude internal charges of $1.14 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 on pages 21-27.

Te Tauāki Putea

Financial Statements

Statement of Financial Position

Council Actual 2022 ($000)	Consolidated 2022 ($000)	As at 30 June 2023	Note	Council Actual 2023 ($000)	Council Budget 2023 ($000)	Consolidated Actual 2023 ($000)
		Current Assets				
12,922	12,922	Cash and Cash Equivalents	4	6,541	3,268	6,541
9,370	9,370	Accounts Receivable	5	11,979	7,467	11,979
19	19	Derivative Financial Instruments	23	307	0	307
94,183	94,183	Current Portion of Investments	6	97,727	108,331	97,727
916	916	Prepayments		1,014	689	1,014
56	56	Stocks	7	48	82	48
117,465	**117,465**	**Total Current Assets**		**117,616**	**119,837**	**117,616**
		Non-Current Assets				
37,822	37,822	Investments	6	37,962	38,063	37,962
1,401	1,401	Derivative Financial Instruments	23	2,705	0	2,705
1,268,467	1,268,467	Property, plant and equipment	8	1,279,069	993,270	1,279,069
2,001	2,001	Intangible Assets	9	1,500	1,342	1,500
1,309,691	**1,309,691**	**Total Non-Current Assets**		**1,321,236**	**1,032,675**	**1,321,236**
1,427,156	**1,427,156**	**Total Assets**		**1,438,852**	**1,152,512**	**1,438,852**
		Current Liabilities				
9,821	9,821	Accounts Payable	10	13,679	12,932	13,679
1,122	1,122	Employee Entitlements	11	1,140	1,191	1,140
1,014	1,014	Income Received in Advance		1,552	1,323	1,552
99	99	Derivative Financial Instruments	23	0	0	0
10,074	10,074	Current Portion of Term Liabilities	13	18,976	10,000	18,976
40	40	Current Landfill Aftercare Provision	12	42	42	42
22,170	**22,170**	**Total Current Liabilities**		**35,389**	**25,488**	**35,389**

Council Actual 2022 ($000)	Consolidated 2022 ($000)	As at 30 June 2023	Note	Council Actual 2023 ($000)	Council Budget 2023 ($000)	Consolidated Actual 2023 ($000)
		Non-Current Liabilities				
104,543	104,543	Term Liabilities	13	104,068	120,665	104,068
591	591	Derivative Financial Instruments	23	0	0	0
318	318	Non-Current Landfill Aftercare Provision	12	289	4,953	289
105,452	**105,452**	**Total Non-Current Liabilities**		**104,357**	**125,618**	**104,357**
127,622	**127, 622**	**Total Liabilities**		**139,746**	**151,106**	**139,746**
1,299,534	**1,299,534**	**Total Assets Less Liabilities**		**1,299,108**	**1,001,406**	**1,299,108**
485,203	485,203	Accumulated Balances	14	486,813	473,359	486,813
3,351	3,351	Restricted and Statutory Reserves	14	3,782	2,753	3,782
0	0	Investment Revaluation Reserves	14	343	6	343
10,878	10,878	Separate Operating Reserves	14	6,463	3,736	6,463
453	453	Capital Replacement Reserves	14	534	360	534
144,974	144,974	Council Created Reserves	14	146,498	158,726	146,498
654,675	654,675	Asset Revaluation Reserves	14	654,675	362,466	654,675
1,299,534	**1,299,534**	**Total Equity**		**1,299,108**	**1,001,406**	**1,299,108**

The Annual Report and associated Audit Report were considered and adopted at a meeting of the South Taranaki District Council on 30 October 2023.

Phil Nixon
Koromatua o Taranaki ki te Tonga
South Taranaki Mayor

Fiona Aitken
Tumu Whakahaere
South Taranaki District Council Chief Executive

Te Tauāki Putea

Financial Statements

Statement of Changes in Equity

Council 2022 ($000)	Consolidated 2022 ($000)	For the year ended 30 June 2023	Council 2023 ($000)	Budget 2023 ($000)	Consolidated 2023 ($000)
946,441	**946,441**	**Opening Equity as at 1 July**	**1,299,534**	**995,470**	**1,299,534**
815	815	Total comprehensive income	(768)	5,936	(768)
352,284	352,284	Total other comprehensive income	0	0	0
(6)	(6)	Adjustment to investment revaluation reserve	342	0	342
1,299,534	**1,299,534**	**Balance at 30 June**	**1,299,108**	**1,001,406**	**1,299,108**
		Total comprehensive (including adjustment) income attributed to:			
353,093	353,093	South Taranaki District Council	(426)	5,936	(426)
353,093	**353,093**	**Total comprehensive income**	**(426)**	**5,936**	**(426)**

The financial statements should be read in conjunction with the notes and policies and the financial commentary on pages 21-27.

Statement of Comprehensive Revenue and Expense

Council 2022 ($000)	Consolidated 2022 ($000)	For the year ended 30 June 2023	Council 2023 ($000)	Budget 2023 ($000)	Consolidated 2023 ($000)
		Revenue by Exchange Transactions			
9,555	9,555	Rates - Water by Meter	8,983	9,841	8,983
(253)	(253)	Financial Revenue	12,448	8,651	12,448
		Revenue from Non-Exchange Transactions			
34,957	34,957	Rates	35,819	35,279	35,819
8,170	8,170	Fees and Charges	9,241	8,037	9,241
20,688	20,688	Subsidies and Grants	15,744	16,219	15,744
585	585	Development and Financial Contributions	244	0	244
1,928	1,928	Other Revenue	4,785	2,440	4,785
75,629	**75,629**	**Total Income***	**87,264**	**80,467**	**87,264**
		Expenditure			
15,699	15,699	Personnel Costs	16,655	16,881	16,655
19,629	19,629	Depreciation and Amortisation Expense	25,873	21,578	25,873
4,691	4,691	Finance Cost	5,888	4,542	5,888
34,795	34,795	Other Expenses	39,616	31,529	39,616
74,814	**74,814**	**Total Expenditure**	**88,032**	**74,530**	**88,032**
815	**815**	**Surplus/(Deficit) Before Tax**	**(768)**	**5,936**	**(768)**
0	0	Tax	0	0	0
815	**815**	**Surplus/(Deficit) After Tax**	**(768)**	**5,936**	**(768)**
		Increase/Decrease in Revaluation Reserves	342	0	**342**
352,284	352,284	Gain on Asset Revaluation	0	0	0
353,099	**353,099**	**Total Comprehensive Revenue and Expense for the Year**	**(426)**	**5,936**	**(426)**

**2022/23 Revenue and Expenditure amounts exclude internal charges of $1.14 million such as Rates and Water by Meter (which the Council charges to itself).*

Statement of Cashflow

Council 2022 ($000)	Consolidated 2022 ($000)	For the year ended 30 June 2022	Note	Council 2023 ($000)	Budget 2023 ($000)	Consolidated 2023 ($000)
		Cash Flows from Operating Activites				
		Cash was provided from:				
44,438	44,438	Rates		45,840	46,041	45,840
24	24	Dividends		31	0	31
200	200	Interest on Investments		5,165	2,012	5,165
30,183	30,183	Other Revenue		24,425	27,367	24,425
3,527	3,527	Regional Council Rates		3,694	3,200	3,694
		Cash was applied to:				
(49,455)	(49,455)	Payments to Suppliers and Employees		(51,201)	48,881	(51,201)
(4,397)	(4,397)	Interest paid on Term Debt		(5,888)	4,542	(5,888)
35	35	Net GST paid to/from IRD		(458)	0	(458)
(3,527)	(3,527)	Rates paid to Regional Council		(3,694)	3,200	(3,694)
21,028	**21,028**	**Net Cash from Operating Activities**	15	**17,915**	**21,997**	**17,915**
		Cash Flows from Investing Activities				
		Cash was provided from:				
0	0	Proceeds from Sale of Property, Plant and Equipment		0	0	0
2,446	2,446	Net cash inflow from investment		1,424	8,994	1,424
		Cash was applied to:				
0	0	Net cash outflow to investments		0	0	0
0	0	Net cash outflow to short term investment		0	0	0
(28,681)	(28,681)	Purchase of Property, Plant and Equipment		(34,144)	(54,064)	(34,144)
0	0	Miscellaneous - Payment for Landfill		0	0	0
(26,235)	**(26,235)**	**Net Cash from Investing Activities**		**(32,720)**	**(45,070)**	**(32,720)**

Council 2022 ($000)	Consolidated 2022 ($000)	For the year ended 30 June 2022	Note	Council 2023 ($000)	Budget 2023 ($000)	Consolidated 2023 ($000)
		Cash Flows from Financing Activites				
		Cash was provided from:				
5,028	5,028	Loans Raised		12,272	15,443	12,272
17,000	17,000	Loans Raised - Current Portion		10,000	10,000	10,000
		Cash was applied to:				
(3,677)	(3,677)	Repayment of Debt		(3,845)	(4,013)	(3,845)
(17,000)	(17,000)	Repayment Loans - Current Portion		(10,000)	(10,000)	(10,000)
1,351	**1,351**	**Net Cash from Financing Activities**		**8,425**	**11,430**	**8,425**
(3,856)	**(3,856)**	**Net increase/(decrease) in cash held**		**(6,381)**	**(11,642)**	**(6,381)**
16,778	**16,778**	**Total cash resources at 1 July**		**12,922**	**14,910**	**12,922**
12,922	**12,922**	**Total cash resources at 30 June**		**6,541**	**3,268**	**6,541**
		Made up of:				
12,922	12,922	Cash and Cash Equivalents		6,541	3,268	6,541

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. It has been presented on a net basis because 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 on pages 21-27.

Reconciliation of movements in liabilities arising from financing activities

The table below provides a reconciliation between the opening and closing balance of liabilities with cash flows that were, or future cash flows that will be, classified as a financing activity in the statement of cash flows.

	Finance Leases *$000*	Other *$000*	Derivatives (Mark to market movements) *$000*	Borrowings *$000*
Balance at 1 July 2022	**186**	**1,031**	**(730)**	**113,399**
Cash Inflows	0	0	0	22,272
Cash outflows	(35)	0	0	(13,771)
Non-cash changes	0	(37)	(2,283)	0
Balance at 30 June 2023	**151**	**994**	**(3,013)**	**121,900**

	Finance Leases *$000*	Other *$000*	Derivatives (Mark to market movements) *$000*	Borrowings *$000*
Balance at 1 July 2021	**40**	**1,069**	**10,194**	**112,200**
Cash Inflows	0	0	0	5,028
Cash outflows	(48)	0	0	(3,829)
Non-cash changes	194	(38)	(10,924)	0
Balance at 30 June 2022	**186**	**1,031**	**(730)**	**113,399**

Te Kaupapa here o ngā Tauāki Pūtea

Statement of Accounting Policies

Entity Statement

The South Taranaki District Council is a territorial local authority governed by the Local Government Act 2002. Its primary objective 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 (Novus Contracting Limited) 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 in New Zealand. The financial statements are for the year ended 30 June 2023. The financial statements were authorised by the Council on 30 October 2023.

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 (XRB).

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

Measurement Rate

The financial statements have been prepared on an 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

PBE IPSAS 41 Financial Instruments

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 Financial Instruments, which supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments: Recognition and Measurement. The Council has adopted PBE IPSAS 41 and the main changes between PBE IPSAS 29 and PBE IPSAS 41 are:

Revaluation of shares held in the New Zealand Local Government Funding Agency (NZLGFA) were revalued at the balance date. The impact resulted in $323k gain on investment revaluation, through other non-comprehensive revenue. The Council considers the amount for prior year adjustment to be immaterial, therefore not adjusting the prior year balance.

The adoption did not result in any other significant impact to the Council's financial statements

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:

PBE IFRS 17 Insurance contracts

PBE IFRS 17 Insurance contracts for public sectors was issued in June 2023. This standard establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts. It is effective reporting periods beginning on or after 1 January 2026 with early adoption permitted. The Council has not yet assessed the affect of the new standard.

2022 Omnibus Amendments to PBE Standards (issued June 2022)

The 2022 Omnibus Amendments include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards. The revised PBE standards are effective

from the year ending 30 June 2024. They are not expected to have any significant impact on the Council's financial statements.

Significant judgements and estimates

The preparation of the financial statements requires judgements, estimates and assumptions. Application is based on future expectations as well as historical experience and other factors, as appropriate to the particular circumstances and actual results may differ from these estimates. Judgements and estimates which are considered material to understand the performance of the council are:

Property, Plant and Equipment

Key valuation Assumptions

Unit rates for replacement were applied to the assets based on size, material, depth, asset subtype and location.

Condition information and age were used to determine remaining useful lives.

Fair value assessment

Management performed an assessment of the change in fair value using various Statistics New Zealand indexes to approximate changes in fair value at 30 June 2023. The assessment indicated no material movement in the asset value and therefore a revaluation of the asset class was not required at balance date.

Determining the fair value of Derivative financial instruments.

Determining fair value of investments in LTIF and investments in other entities

Notes to Financial Statements

Note 1: Revenue Accounting Policy

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 occurs when the Council receives value from another party without giving approximately equal value in exchange.

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

Rates

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

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 receives an application that meets its rates remission policy.

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

Government grants and subsidies

Government grants and subsidies are recognised on entitlement at their fair value, which is when any conditions relating to eligible expenditure have been fulfilled. The Council receives government grants from Waka Kotahi/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.

Fees and charges and sale of goods

Revenue from fees and charges is recognised from the provision of services (for example, 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 the provision 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.

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, less imputation credits. Dividends are

Notes to Financial Statements

classified as exchange revenue.

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, which is classified as non-exchange revenue.

Capital contributions

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

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.

Foreign currency - exchange differences

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

Council 2022 ($000)	Consolidated 2022 ($000)	*For the period ending June 2023*	Council 2023 ($000)	Budget 2023 ($000)	Consolidated 2023 ($000)
		Rates			
16,927	16,927	General Rates	17,690	17,681	17,690
6,108	6,108	Targeted - Roading	6,079	6,069	6,079
4,627	4,627	Other Water Rates	4,907	4,916	4,907
9,555	9,555	Metered Water Rates	8,983	9,333	8,983
1,602	1,602	Targeted - Refuse	1,445	1,439	1,445
5,293	5,293	Targeted - Wastewater	5,250	5,231	5,250
255	255	Warmer Homes Scheme Rate	253	300	253
9	9	Eltham Drainage Board	9	9	9
165	165	Hāwera Business Rate	163	165	163
179	179	Rate Penalties	197	165	197
(209)	(209)	Remission	(173)	(188)	(173)
44,512	**44,512**	**Total Rates**	**44,802**	**45,120**	**44,802**
8,170	**8,170**	**Fees and Charges**	**9,241**	**8,037**	**9,241**
		Financial Revenue			
24	24	Dividends - General	31	5	31
200	200	Interest - General	621	61	621
0	0	Dividends - Long Term Investment Fund	0	0	0
(9,099)	(9,099)	Capital Gains on Long Term Investment Fund	10,102	8,590	10,102
10,924	10,924	Gain on Derivatives	2,283	0	2,283
(2,302)	(2,302)	Foreign Exchange Gains (Losses) on LTIF	(588)	0	(588)
(253)	**(253)**	**Total Financial Revenue**	**12,448**	**8,655**	**12,448**
0	0	Developmental Contributions	244	0	244
21,273	21,273	Subsidies and Grants*	15,744	16,219	15,744
1,928	1,928	Other Revenue	4,785	2,436	4,785
75,629	**75,629**	**Total Revenue**	**87,264**	**80,467**	**87,264**

Rates Remissions

Rates Remissions have been netted off rates revenue above.

The Council's Rate Remission Policy provides for rates to be remitted for the following purposes:

Council 2022 ($000)	Consolidated 2022 ($000)	For the period ending June 2023	Council 2023 ($000)	Budget 2023 ($000)	Consolidated 2023 ($000)
23	23	Rates on community halls	22	24	22
90	90	Rates for sporting, games, branches of the arts, community care and volunteer organisations	85	93	85
10	10	Rates on land protected for natural. historical or cultural conservation purposes	9	10	9
49	49	Uniform Annual General Charges on non-contiguous units owned by the same owner	43	47	43
6	6	Remissions of rates for miscellaneous purposes	13	14	13
31	31	Water by meter rates remissions	1	23	1
179	179	Rates Penalties*	197	165	197
388	**388**	**Total Rates Remitted**	**371**	**376**	**371**

** 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 Accounting Policy

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

Personnel Costs

Salaries and wages are recognised as an expense as employees provide services.

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 Council's objectives. 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.

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.

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.

Notes to Financial Statements

Council 2022 ($000)	Consolidated 2022 ($000)	For the period ending June 2023	Council 2023 ($000)	Budget 2023 ($000)	Consolidated 2023 ($000)
15,597	15,597	Salary and Wages*	16,637	16,881	16,637
102	102	Increase/(decrease) in employee entitlements	18	0	18
15,699	**15,699**		**16,655**	**16,881**	**16,655**
		Other Operating Expenses			
739	739	Remuneration to Elected Representatives**	782	762	782
154	154	Audit Fees for Annual Report	212	163	212
5	5	Audit Fees for Debenture Trust Deed	5	0	5
0	0	Audit Fees for Ten Year Plan	0	0	0
890	890	Grants	1,057	1,073	1,057
57	57	Impairment of receivables	0	0	0
19,629	19,629	Depreciation and amortisation expense	25,873	21,578	25,873
478	478	Fund Manger Fees	531	470	531
0	0	Loss on Derivatives	0	0	0
1,937	1,937	Loss on Disposal of Assets	315	0	315
81	81	Operating Lease payments	105	80	105
30,454	30,454	Other Operating Expenses	36,609	28,981	36,609
54,423	**54,423**		**65,489**	**53,107**	**65,489**
		Finance Costs			
4,691	4,691	Interest Expense	5,888	4,542	5,888
4,691	4,691		5,888	4,542	5,888
74,814	**74,814**	**Total Expenditure**	**88,032**	**74,530**	**88,032**

**Salaries and Wages include Council's contribution to Kiwisaver of $431k (2022 $396k).*
***Remuneration paid to the Elected Representatives include payments to Community Board members, Iwi Liaison Committee members and appointed members.*

Note 3: Tax Accounting Policy

Income tax

Income tax expense includes components relating to current tax and deferred tax. Current tax is the amount of income tax payable based on the taxable profit for the current year and any adjustments in respect of prior years.

Deferred tax

Deferred taxation is the amount of taxes payable (or receivable) in future years in respect of temporary differences (that is, 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.

Council 2022 ($000)	Consolidated 2022 ($000)	For the period ending June 2023	Council 2023 ($000)	Budget 2023 ($000)	Consolidated 2023 ($000)
815	815	Net Surplus/(Deficit) before Taxation	(768)	5,936	(768)
228	228	Tax at 28%	(215)	1,662	(215)
		Plus/(Less) Tax Effect of:			
(228)	(228)	Non-taxable income/expenditure	215	(1,662)	215
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 $732,077 (2022 $726,452) with a tax effect of $204,982 at 28% (2022 $203,407 at 28%) available to carry forward to future years.

Notes to Financial Statements

Note 4: 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. They include all funds held for the day-to-day management of the Council and do not include funds set aside for specific purposes (for example, Reserve Funds).

Council 2022 ($000)	Consolidated 2022 ($000)	For the period ending June 2023	Council 2023 ($000)	Consolidated 2023 ($000)
10	10	Cash at bank and on hand	10	10
12,912	12,912	Westpac current account	6,531	6,531
0	0	Transfer to Long Term Investment Fund	0	0
0	0	Term Deposits	0	0
0	0	Westpac On call account	0	0
0	0	TSB Hub account	0	0
12,922	**12,922**		**6,541**	**6,541**

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

Note 5: Accounts Receivable Accounting Policy

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 under 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.

Rates are "written off" when remitted in accordance with the Council's rates remission policy and in accordance with the write-off criteria of sections 90A (when rates cannot be reasonably recovered) and 90B (for Māori freehold land) of the Local Government (Rating) Act 2002.

Council 2022 ($000)	Consolidated 2022 ($000)	For the period ending June 2023	Council 2023 ($000)	Consolidated 2023 ($000)
1,107	1,107	Accruals and Sundries	1,993	1,993
4,942	4,942	General Debtors (Incl. Water)	5,860	5,860
1,494	1,494	Rate Arrears	1,613	1,613
1,415	1,415	NZTA	1,271	1,271
914	914	Goods and Services Tax	1,504	1,504
(503)	(503)	Provision for Doubtful Debts	(262)	(262)
9,370	**9,370**		**11,979**	**11,979**

The above amount for accounts receivable includes exchange transactions of $2.99m (2022 - $3.03m) for water by meter charges and interest receivable.

Notes to Financial Statements

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 approximates their fair value.

Impairment

The Council regularly reviews all debts to identify areas of impairment and makes provision as necessary. It uses a number of options to help slow-paying debtors to meet their obligations and debts are only written off when all options are exhausted.

The status of receivables as at 30 June 2022 and 2023 are detailed below:

Council 2022 ($000)	Consolidated 2022 ($000)	*For the period ending June 2023*	Council 2023 ($000)	Consolidated 2023 ($000)
7,059	7,059	Not past due	9,825	9,825
763	763	Past due 1 - 60 days	412	412
259	259	Past due 61 - 90 days	208	208
1,290	1,290	Past due > 90 days	1,534	1,534
9,370	**9,370**		**11,979**	**11,979**

Details of the Impairment Provision

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

Expected credit 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 2022 ($000)	Consolidated 2022 ($000)	*For the period ending June 2023*	Council 2023 ($000)	Consolidated 2023 ($000)
0	0	Individual Impairment	0	0
(503)	(503)	Collective Impairment	(262)	(262)
(503)	(503)	**Total provision for Impairment**	**(262)**	**(262)**

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

Council 2022 ($000)	Consolidated 2022 ($000)	*For the period ending June 2023*	Council 2023 ($000)	Consolidated 2023 ($000)
(446)	**(446)**	**At 1 July**	**(503)**	**(503)**
(244)	(244)	Additional provisions made during the year	(37)	(37)
0	0	Provisions reversed during the year	0	0
187	187	Receivables written-off during the period	278	278
(503)	**(503)**	**At 30 June**	**(262)**	**(262)**

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

Note 6: Investments Accounting Policy

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 the date on which there is a commitment to buy or sell. Financial assets are derecognised when the rights to receive cash flows from them 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 is used, based on market conditions 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.

In accordance with the transitional provisions in PBE IPSAS 41, the Council has elected not to restate the comparative information. The comparative information continues to be reported under PBE IPSAS 29. On the date of initial application of PBE IPSAS 41, the classification and carrying amounts of financial assets under PBE IPSAS 41 and PBE IPSAS 29 is outlined in the table below. Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit. The classification of a financial asset depends on its cash flow characteristics and the Council and group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Subsequent measurement of financial assets at amortised cost - Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance.

Subsequent measurement of financial assets at FVTOCRE - Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses are recognised in

Notes to Financial Statements

surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit.

Subsequent measurement of financial assets at FVTSD - Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Council 2022 ($000)	Consolidated 2022 ($000)	For the period ending June 2023	Council 2023 ($000)	Consolidated 2023 ($000)
		Financial Assets		
		Current Portion		
513	513	Bonds with maturities of less than 1 year	1,266	1,266
7,060	7,060	Cash and cash equivalents	6,707	6,707
0	0	Cash Balance Transferred from Current/Call Account for LTIF	0	0
0	0	Term Deposit	0	0
7,107	7,107	Property	6,594	6,594
8,229	8,229	Global Infrastructure	6,545	6,545
71,043	71,043	Equities	76,316	76,316
0	0	Hedge Fund	0	0
20	20	Museum Trust	89	89
211	211	Warmer Home Scheme Loans and Nukumaru Loan	210	210
94,183	**94,183**	**Total Current Portion**	**97,727**	**97,727**
		Non-Current Portion		
33,559	33,559	Bonds with maturities of greater than 1 year	32,860	32,860
413	413	Cash and cash equivalents	321	321
184	184	Museum Trust	573	573
1,106	1,106	Warmer Home Scheme Loans and Nukumaru Loan	1,115	1,115
2,561	2,561	Other Shares and Notes	3,094	3,094
37,823	**37,823**	**Total Non-Current Portion**	**37,962**	**37,962**
132,006	**132,006**	**Total Financial Assets**	**135,689**	**135,689**

Notes to Financial Statements

Maturity of Financial Assets

Cash and cash equivalents portion of Council's investments are available immediately and represents 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.

LTIF Allocation

The total Long Term Investment Fund sector allocation at 30 June 2023 was as follows:

2022 *000s*		2023 *000s*
12%	Trans Tasman Equities	13%
30%	Global Equities	33%
6%	Global Listed Infrastructure	4%
5%	New Zealand Cash	5%
9%	New Zealand Fixed Interest	9%
0%	Hedge Funds	0%
26%	Foreign Fixed Interest*	25%
7%	Low Volatility	7%
5%	Property	5%
100%		**100%**

**includes internal borrowing*

Reconciliation of Investments

2022 *000s*		2023 *000s*
142,088	Opening Balance	127,924
	Income	
0	Interest	0
0	Dividends	0
(13,312)	Unrealised Gains/(Losses)	5,216
4,212	Realised Gains/(Losses)	4,886
(2,302)	Foreign Exchange Gains/ (Losses)	(588)
	Less	
(2,286)	Subsidy Withdrawal*	(6,296)
(478)	Management Fees	(531)
0	Other transfers/ adjustments	0
127,924	**Closing Balance**	**130,610**
4,082	**Other Investments**	**5,081**
132,006	**Total Investments**	**135,367**

*The net subsidy withdrawal amount is calculated using all LTIF subsidies $8.24m less internal interest received of $607k and loan repayments of $1.34m from Internal Borrowings to the LTIF.

Notes to Financial Statements

Note 7: Stocks Accounting Policy

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.

Council 2022 ($000)	Consolidated 2022 ($000)	For the period ending June 2023	Council 2023 ($000)	Consolidated 2023 ($000)
		Held for Resale		
12	12	Information Centre Stock	11	11
4	4	Aquatic Centre Stock	5	5
4	4	New Zealand Post Stock	5	5
21	**21**		**21**	**21**
		Held for Business Coningency		
35	35	Infrastructure Stock	27	27
56	**56**	**Total Stocks Held**	**48**	**48**

No stocks are pledged as security for liabilities (2022 $nil). However, some stocks are subject to retention of title clause.

The carrying amount of stocks measured at current replacement costs as at 30 June 2023, amounted to $47,578 (2022 $56,000).

The written down value of stocks held was $1,707 (2022 $3,537). Stocks held for resale turn over 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 Accounting Policy

Property, plant and equipment consist of operational assets, restricted assets and infrastructure assets. All 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 a 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 later 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. Later additions 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 in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Operational assets

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

Land and buildings are valued at fair value, as determined from market based evidence, by AON New Zealand, Registered Valuers, as at 31 March 2022. 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 AON New Zealand, Registered Valuers, as at 31 March 2022. 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 AON New Zealand, Registered Valuers, as at 30 June 2022. 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, 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 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 assets 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, Registered Valuers as at 30 June 2023. Valuations are generally carried out on a three-yearly cycle unless market conditions require otherwise. Infrastructural land under roads is no longer revalued.

Certain infrastructural assets and land have been vested in the Council as part of the subdivisional consent process. The vested assets have 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.

Depreciation

Depreciation rates for fixed assets are as follows:

Notes to Financial Statements

Operational assets

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

Buildings	1.37% - 33.33%
Motor Vehicles	4.00% - 15.60%
Plant and Equipment	3.33% - 33.33%
Information Systems Equipment	10.00% - 50.00%
Library Books	10.00% - 20.00%
Furniture and Fittings	5.00% - 20.00%
Office Equipment	4.00% - 20.00%

Infrastructural assets

Roading

Provision has been made for depreciation of 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	60 - 80 years	1.25% - 1.67%
Roading Base-course	40 - 100 years	1.00% - 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	8 - 170 years	0.59% - 12.5%
Water Treatment Plants	5 - 100 years	1.00% - 20.00%
Water Point	15 - 123 years	0.81% - 6.67%
Sewerage Reticulation	50 - 200 years	0.50% - 2.00%
Sewerage Tratment Plants	14 - 130 years	0.77% - 7.14%
Wastewater Point	10 - 124 years	0.81% - 10.00%
Wastewater Station	10 - 100 years	1.00% - 10.00%
Stormwater Pipes	40 - 150 years	0.67% - 2.50%
Stormwater Point	20 - 110 years	0.91% - 5.00%

Restricted assets

Heritage and Cultural Assets

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

Heritage and Cultural Assets	23 - 250 years	0.40% - 4.35%

Parks and Recreation Assets

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

Parks and Recreation Assets	6 - 15 years	6.67% - 16.67%

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.

Notes to Financial Statements

Council*	Cost/ Valuation 30/6/23 ($000)	Accumulated Depreciation 30/6/23 ($000)	Carrying Value 30/6/23 ($000)	Cost/ Valuation 30/6/22 ($000)	Accumulated Depreciation 30/6/22 ($000)	Carrying Value 30/6/22 ($000)
Operational Assets						
Buildings	94,217	(4,131)	90,087	92,233	(885)	91,349
Land	20,106	0	20,106	19,657	0	19,657
Furniture and Fittings	1,375	(884)	491	1,255	(807)	448
Information Systems	3,822	(3,404)	419	3,403	(3,045)	359
Library Books	1,866	(1,080)	786	1,650	(917)	733
Office Equipment	436	(336)	100	436	(308)	129
Leased Office Equipment	200	(56)	144	200	(16)	184
Motor Vehicles	1,551	(746)	806	1,441	(737)	704
Plant and Equipment	3,130	(2,059)	1,071	2,915	(1,917)	998
Restricted Assets						
Parks and Recreation	18,047	(1,423)	16,624	17,317	0	17,317
Heritage and Cultural	1,592	(874)	717	1,592	(827)	765
Land	60,317	0	60,317	60,317	0	60,317
Work in Progress	8,011	0	8,011	4,286	0	4,286
Total Operational and Restricted Assets	**214,671**	**(14,995)**	**199,678**	**206,702**	**(9,458)**	**197,245**
Infrastructural Assets						
Land Under Roads	104,400	0	104,400	104,141	0	104,141
Network Assets						
Roading	538,519	(9,369)	529,150	530,723	0	530,723
Wastewater - treatment plants	42,146	(799)	41,346	39,289	0	39,289
Wastewater - other assets	81,139	(2,013)	79,126	78,829	0	78,829
Water - treatment plants	86,712	(2,943)	83,769	84,160	0	84,160
Water - other assets	179,397	(4,008)	175,389	173,058	0	173,058
Stormwater	44,301	(867)	43,434	43,423	0	43,423
Total Infrastructural and Network Assets	**1,076,612**	**(19,999)**	**1,056,613**	**1,053,623**	**0**	**1,053,623**
Work in progress	22,778	0	22,778	17,601	0	17,601
Total Fixed Assets	**1,314,062**	**(34,994)**	**1,279,069**	**1,277,926**	**(9,458)**	**1,268,467**

** NOTE: Consolidated figures same as for Council*

As per the most recent revaluations at 30 June 2022 by Beca Limited (three waters), and WSP Limited (roading) the replacement cost of the Council's network assets are as follows:

Water Supply – treatment plants and facilities	$84.2 million
Water Supply – other assets	$173.1 million
Wastewater – treatment plants and facilities	$39.3 million
Wastewater – other assets	$78.8 million
Stormwater	$43.4 million
Roading and Footpaths	$530.7 million

Notes to Financial Statements

Movements 2023

Council*	Carrying Value 1/7/22 ($000)	Additions ($000)	Disposals ($000)	Accumulated Depreciation on Dispoal ($000)	Vested Assets ($000)	Other Adj ($000)	Depreciation ($000)	Carrying Value 30/6/23 ($000)
Operational Assets								
Buildings	91,349	2,353	(369)	52	0	0	(3,298)	90,087
Land	19,657	449	0	0	0	0	0	20,106
Furniture and Fittings	448	119	0	0	0	0	(77)	491
Information Systems	359	419	0	0	0	0	(359)	419
LIbrary Books	733	290	(74)	74	0	0	(237)	786
Office Equipment	129	0	0	0	0	0	(29)	100
Leased Office Equipment	184	0	0	0	0	0	(40)	144
Motor Vehicles	704	214	(104)	63	0	0	(72)	806
Plant and Equipment	998	215	0	0	0	0	(143)	1,071
Restricted Assets								
Parks and Recreation	17,317	731	0	0	0	0	(1,423)	16,624
Heritage and Cultural	765	0	0	0	0	0	(47)	717
Land	60,317	0	0	0	0	0	0	60,317
Work in Progress	4,286	0	0	0	0	3,724	0	8,011
Total Operational and Restricted Assets	**197,245**	**4,791**	**(547)**	**189**	**0**	**3,724**	**(5,725)**	**199,679**
Infrastructural Assets								
Land Under Roads	104,141	0	0	0	259	0	0	104,400
Network Assets								
Roading	530,723	6,665	0	0	1,131	0	(9,369)	529,150
Wastewater - treatment plants	39,289	2,857	0	0	0	0	(799)	41,346
Wastewater - other assets	78,829	1,949	0	0	366	(6)	(2,013)	79,126
Water - treatment plants	84,160	2,552	0	0	0	0	(2,943)	83,769
Water - other assets	173,058	6,126	0	0	245	(32)	(4,008)	175,389
Stormwater	43,423	708	0	0	144	25	(867)	43,434
Total Infrastructural and Network Assets	**1,053,624**	**20,857**			**2,145**	**(13)**	**(19,999)**	**1,056,614**
Work in progress	17,601	0	0	0	0	5,177	0	22,778
Total Fixed Assets	**1,268,467**	**25,648**	**(547)**	**189**	**2,145**	**8,888**	**(25,723)**	**1,279,069**

Work in Progress

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

	Council and Consolidated	
	2023 *$000*	2022 *$000*
Building	7,363	3,358
Land	0	28
Information Systems	3	123
Motor Vehicles	0	0
Plants and Equipment	0	420
Furniture and Fittings	0	13
Office Equipment	0	1
Parks and Reserves	633	205
Coastal Structures	11	136
Stormwater	576	570
Water Supply	9,291	7,935
Wastewater	1,780	2,899
Roading	11,133	6,197
Total work in progress	30,789	21,887

Notes to Financial Statements

Movements 2022

Council*	Carrying Value 1/7/21 ($000)	Additions ($000)	Disposals ($000)	Accumulated Depreciation on Dispoal ($000)	Vested Assets ($000)	Other Adj ($000)	Depreciation ($000)	Carrying Value 30/6/22 ($000)
Operational Assets								
Buildings	61,187	784	(309)	64	0	32,370	(2,748)	91,349
Land	9,622	1,860	(180)	0	0	8,355	0	19,657
Furniture and Fittings	478	47	0	0	0	0	(77)	448
Information Systems	449	209	0	0	0	0	(299)	359
LIbrary Books	716	250	(129)	126	0	0	(230)	733
Office Equipment	13	134	0	0	0	0	(18)	129
Leased Office Equipment	32	200	(323)	323	0	0	(49)	184
Motor Vehicles	666	131	0	0	0	0	(93)	704
Plant and Equipment	1,041	104	0	0	0	0	(147)	998
Restricted Assets								
Parks and Recreation	10,974	665	0	0	0	6,524	(847)	17,317
Heritage and Cultural	812	0	0	0	0	0	(47)	764
Land	45,655	21	(1,000)	0	0	15,641	0	60,317
Work in Progress	4,386	0	0	0	0	(100)	0	4,286
Total Operational and Restricted Assets	**136,031**	**4,406**	**(1,941)**	**513**	**0**	**62,790**	**(4,555)**	**197,244**
Infrastructural Assets								
Land Under Roads	104,141	0	0	0	0	0	0	104,141
Network Assets								
Roading	397,159	8,905	0	0	0	132,004	(7,346)	530,723
Wastewater - treatment plants	24,984	480	0	0	0	14,417	(592)	39,289
Wastewater - other assets	46,437	449	(132)	0	0	33,176	(1,101)	78,829
Water - treatment plants	47,299	1,181	0	0	0	37,181	(1,501)	84,160
Water - other assets	109,634	5,400	(500)	0	0	62,003	(3,479)	173,058
Stormwater	32,616	889	0	0	0	10,611	(693)	43,423
Total Infrastructural and Network Assets	**762,272**	**17,304**	**(632)**	**0**	**0**	**289,392**	**(14,712)**	**1,053,624**
Work in progress	11,231	0	0	0	0	6,370	0	17,601
Total Fixed Assets	**909,533**	**21,710**	**(2,573)**	**513**	**0**	**358,552**	**(19,267)**	**1,268,467**

Notes to Financial Statements

Note 9: Intangible Assets

Council 2022 ($000)	Consolidated 2022 ($000)		Council 2023 ($000)	Consolidated 2023 ($000)
		Acquired Computer Software Balance 1 July		
4,132	4,132	Cost	4,381	4,381
(2,590)	(2,590)	Accumulated amortisation and impairment	(2,767)	(2,767)
1,542	1,542	Carrying value 1 July	1,614	1,614
304	304	Additions	37	37
0	0	Disposals	(13)	(13)
(55)	(55)	Other Adjustments	13	13
(177)	(177)	Amortisation charge	(151)	(151)
		Closing Balance		
4,381	4,381	Cost	4,418	4,418
(2,767)	(2,767)	Accumulated amortisation and impairment	(2,918)	(2,918)
1,614	1,614	Carrying value 30 June	1,500	1,500
		Fonterra Outfall - use rights Balance 1 July		
0	0	Cost	387	387
0	0	Accumulated amortisation and impairment	0	0
0	0	Carrying value 1 July	387	387
387	387	Additions	0	0
0	0	Other Adjustments	(387)	(387)
0	0	Amortisation charge	0	0
		Closing Balance		
387	387	Cost	0	0
0	0	Accumulated amortisation and impairment	0	0
387	387	Carrying value 30 June	0	0
2,001	**2,001**	**Total Intangible Assets**	**1,500**	**1,500**

Note 10: Accounts Payable

Council 2022 ($000)	Consolidated 2022 ($000)		Council 2023 ($000)	Consolidated 2023 ($000)
6,178	6,178	Trade Liabilities	9,062	9,062
2,007	2,007	Accrued expenses and other payables	3,072	3,072
182	182	Accrued salaries and wages	0	0
1,454	1,454	Bonds and Deposits	1,546	1,546
9,821	**9,821**		**13,679**	**13,679**

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 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 Accounting Policy

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

Council 2022 ($000)	Consolidated 2022 ($000)		Council 2023 ($000)	Consolidated 2023 ($000)
1,051	1,051	Annual Leave	1,057	1,057
71	71	Sick Leave	82	82
1,122	**1,122**		**1,140**	**1,140**

Notes to Financial Statements

Note 12: Landfill Aftercare

Council 2022 ($000)	Consolidated 2022 ($000)		Council 2023 ($000)	Consolidated 2023 ($000)
387	387	Opening Balance	359	359
(28)	(28)	Provision reassessed	(28)	(28)
0	0	Unwinding of discount	0	0
359	**359**	**Closing Balance**	**331**	**331**
		Being:		
40	40	Current Portion	42	42
318	318	Term Portion	289	289
359	**359**		**331**	**331**

The Council holds resource consents to operate landfills within the District. It has responsibility under the resource consents 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:

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 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 3.11%.

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.

Note 13: Term Liabilities Accounting Policy

Accounting policy

Financial liabilities comprise trade and other payables and borrowings (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.

Notes to Financial Statements

Council 2022 ($000)	Consolidated 2022 ($000)	For the period ending June 2023	Council 2023 ($000)	Consolidated 2023 ($000)
		Financial Liabilities		
0	0	Debt Securities - Commercial Paper	0	0
112,000	112,000	Debt Securities - Local Authority Stock	116,000	116,000
1,399	1,399	Bank Facilities - Line of Credit Facility	5,900	5,900
0	0	Water Consent	0	0
186	186	Finance Leases	151	151
1,031	1,031	Income in advance from MOE	994	994
114,617	**114,617**	**Total Financial Liabilities**	**123,044**	**123,044**
		Current Liabilities		
0	0	Debt Securities - Commercial Paper	0	0
10,000	10,000	Debt Securities - Local Authority Stock	13,000	13,000
0	0	Bank Facilities - Line of Credit Facility	5,900	5,900
0	0	Water Consent	0	0
36	36	Finance Leases	38	38
38	38	Income in advance from MOE	38	38
10,074	**10,074**	**Total Current Liablities**	**18,976**	**18,976**
		Non-Current Liabilites		
102,000	102,000	Debt Securities - Local Authority Stock	103,000	103,000
1,399	1,399	Bank Facilities - Line of Credit Facility	0	0
0	0	Water Consent	0	0
151	151	Finance Leases	112	112
993	993	Income in advance from MOE	956	956
104,543	**104,543**	**Total Non-Current Liabilities**	**104,068**	**104,068**

Secured Loans

The Council currently has $30 million (2022 $30 million) of committed lines of credit. . The Council used $5.9 million as at balance date (2022 $1.4 million) under lines of credit facilities 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 + 55.25bp	15/04/2027	5,000
Floating BKBM FRA + 73bp	15/04/2025	10,000
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
Floating BKBM FRA + 68.25bp	15/04/2026	5,000
Floating BKBM FRA + 53bp	15/04/2024	5,000
Floating BKBM FRA + 64bp	20/04/2029	10,000
Floating BKBM FRA + 76bp	15/04/2028	5,000
Floating BKBM FRA + 98.6bp	15/04/2028	6,000
Floating BKBM FRA + 46.75bp	15/04/2024	3,000

Notes to Financial Statements

Floating BKBM FRA + 53bp	15/04/2025	3,000
Floating BKBM FRA + 44bp	15/04/2027	2,000
Floating BKBM FRA + 55.5bp	15/04/2030	5,000
Floating BKBM FRA + 57bp	15/05/2031	10,000
Floating BKBM FRA + 40.7bp	15/04/2026	4,000
Floating BKBM FRA + 50bp	15/04/2027	5,000
Floating BKBM FRA + 64bp	20/04/2029	5,000
		116,000

In December 2007 Trustees Executors Ltd were appointed as Trustees of the Debenture Trust Deed. All 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 $136 million to secure the various bank loans facilities, lines of credit, guarantees issued on behalf of Council and other general banking facilities. An additional $18,570 million of security certificates has been issued as part of the LGFA agreement to jointly secure debt issues with other shareholding Councils.

Line of Credit expiry dates

Council 2022 *($000)*	Consolidated 2022 *($000)*		Council 2023 *($000)*	Consolidated 2023 *($000)*
		Financial Institution - Expiry		
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 2023

Fixed Rate	Start Date	Maturity	Amount
4.82%	15/12/2014	17/06/2024	4,000,000
4.30%	20/03/2014	20/12/2023	2,000,000
4.57%	15/06/2015	17/06/2024	4,000,000
4.82%	15/08/2016	15/08/2024	3,000,000
4.81%	15/04/2014	15/07/2023	4,000,000
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
3.80%	20/10/2017	20/01/2028	2,000,000
3.75%	21/10/2021	21/01/2028	5,000,000
3.34%	21/10/2021	21/04/2026	5,000,000
4.20%	22/12/2022	22/12/2026	2,000,000
4.20%	16/01/2023	15/01/2027	4,000,000
4.18%	25/10/2022	27/10/2026	4,000,000
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	30/01/2029	4,000,000
3.95%	17/06/2024	15/03/2029	4,000,000
3.89%	17/06/2024	15/06/2029	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

Notes to Financial Statements

2.75%	29/04/2020	29/01/2025	4,000,000
1.45%	28/02/2023	27/02/2026	4,000,000
3.00%	20/12/2023	20/12/2028	2,000,000
2.97%	23/01/2025	23/01/2030	4,000,000
2.98%	20/08/2024	20/08/2029	5,000,000
3.92%	21/04/2026	23/04/2030	5,000,000
4.00%	15/01/2027	15/01/2031	4,000,000
4.07%	21/01/2028	21/01/2031	5,000,000
			115,000,000

Marked to Market Valuation of Interest Rate Swaps

The fair value (mark to market valuation) of interest rate swaps as at the balance date was $3,012,701.18 (2022 - $729,619.93).

Finance Leases

Council 2022 *($000)*	Consolidated 2022 *($000)*	*For the period ending June 2023*	Council 2023 *($000)*	Consolidated 2022 *($0003*
		Total minimum lease payments payable		
48	48	Not later than one year	48	48
171	171	Later than one year and not later than five years	123	123
0	0	Later than five years	0	0
218	218	Total minimum lease payments	171	171
(32)	**(32)**	**Future finance charges**	**(20)**	**(20)**
186	186	Present value of minimum lease payments	151	151
		Present value of minimum lease payments payable		
36	36	Not later than one year	38	38
151	151	Later than one year and not later than five years	112	112
0	0	Later than five years	0	0
186	**186**	**Total present value of minimum lease payments**	**151**	**151**
		Represented by:		
36	36	Current	38	38
151	151	Non-Current	112	112
186	**186**	**Total finance leases**	**151**	**151**

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 has contributed $1.5 million for the Hāwera High School's use of the TSB Hub for a 40 year period, of which 27 years remain. The current portion represents the amount of the contribution and will be recognised as revenue over the next 12 months.

Notes to Financial Statements

Other Borrowings

As at 30 June 2023, the Council had internally borrowed $14,237,214 (2022 $15,574,479) from its Special Fund Investments held with the Fund Managers.

Note 14: Equity Accounting Policy

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 consist of accumulated surpluses over the years.

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

Council 2022 ($000)	Consolidated 2022 ($000)	For the period ending June 2023	Council 2023 ($000)	Consolidated 2023 ($000)
		Public Equity		
485,203	485,203	Accumulated Balances	486,813	486,813
3,351	3,351	Restricted and Statutory Reserves	3,782	3,782
0	0	Investment Revaluation Reserves	343	343
654,675	654,675	Asset Revaluation Reserves	654,675	654,675
10,878	10,878	Separate Operating Reserves	6,463	6,463
144,974	144,974	Council Created Reserves	146,498	146,498
453	453	Capital Replacement Reserves	534	534
1,299,535	**1,299,535**	**Total Closing Public Equity**	**1,299,108**	**1,299,108**
		Accumulated Balances		
469,232	469,232	Opening Balance 1 July	485,203	485,203
815	815	Net Surplus (Deficit)	(768)	(768)
0	0	Adjustment	0	0
		Less appropriation to		
(157)	(157)	Restricted Reserves	(126)	(126)
(592)	(592)	Statutory Reserves	(306)	(306)
0	0	Separate Operating Reserves	0	0
0	0	Council Created Reserves	(1,524)	(1,524)
(18)	(18)	Capital Replacement Rserves	(81)	(81)
		Funds applied from		
0	0	Restricted Reserves	0	0
0	0	Statutory Reserves	0	0
921	921	Separate Operating Reserves	4,416	4,416
15,001	15,001	Capital Replacement Reserves	0	0
0	0	Council Created Reserves	0	0
0	0	Investment Revaluation Reserves	0	0
485,203	**485,203**	**Closing Balance 30 June**	**486,813**	**486,813**

Notes to Financial Statements

Council 2022 ($000)	Consolidated 2022 ($000)	For the period ending June 2023	Council 2023 ($000)	Consolidated 2023 ($000)
		Restricted Reserves		
1,462	1,462	Opening Balance 1 July	1,618	1,618
184	184	Add Appropriation	223	223
(27)	(27)	Less Application of Funds	(98)	(98)
1,618	**1,618**	**Closing Balance 30 June**	**1,743**	**1,743**
		Statutory Reserves		
1,140	1,140	Opening Balance 1 July	1,733	1,733
599	599	Add Appropriation	319	319
(7)	(7)	Less Application of Funds	(13)	(13)
1,733	**1,733**	**Closing Balance 30 June**	**2,039**	**2,039**
3,351	**3,351**	**Total Closing Restricted and Statutory Reserves**	**3,782**	**3,782**
		Investment Revaluation Reserves		
6	6	Opening Balance 1 July	0	0
0	0	Gain/(Loss) on Long Term Investment Fund	0	0
(6)	(6)	Gain/(Loss) on Shares and Notes	343	343
0	0	Less Loss Transferred to Income Statement	0	0
0	0	**Closing Balance 30 June**	**343**	**343**
		Being:		
0	0	Long Term Investment Fund	0	0
0	0	Shares and Notes	343	343
0	0	Transfers from Accumulated Balances	0	0
0	**0**		**343**	**343**
		Asset Revalutaion Reserves		
302,391	302,391	Opening Balance 1 July	654,675	654,675
295,916	295,916	Revaluation of Infrastructural Assets	0	0
32,068	32,068	Revaluation of Operational Assets	0	0
15,641	15,641	Revaluation of Restricted Land	0	0
8,657	8,657	Revaluation of Operational Land	0	0
0	0	Less Revaluation Reserves transferred to Equity	0	0
654,675	**654,675**	**Closing Balance 30 June**	**654,675**	**654,675**
		Being:		
545,084	545,084	Infrastructural Assets	545,084	545,084
70,746	70,746	Operational Assets	70,746	70,746
25,609	25,609	Restricted Land	25,609	25,609
13,236	13,236	Operational Land	13,236	13,236
654,675	**654,675**		**654,675**	**654,675**
		Separate Operating Reserves		
11,800	11,800	Opening Balance 1 July	10,878	10,878
24,957	24,957	Add Appropriation	29,073	29,073
(25,878)	(25,878)	Less Application of Funds	(33,489)	(33,489)
10,878	**10,878**	**Closing Balance 30 June**	**6,463**	**6,463**
		Council Created Reserves		
159,976	159,976	Opening Balance 1 July	144,974	144,974
2,590	2,590	Add Appropriation	12,114	12,114
(17,592)	(17,592)	Less Application of Funds	(10,591)	(10,591)
144,974	**144,974**	**Closing Balance 30 June**	**146,498**	**146,498**
		Capital Replacement Reserves		
434	434	Opening Balance 1 July	453	453
7,048	7,048	Add Appropriation	7,231	7,231
(7,030)	(7,030)	Less Application of Funds	(7,150)	(7,150)
453	**453**	**Closing Balance 30 June**	**534**	**534**

Notes to Financial Statements

Name	Activity to which the reserve relates	Balance 1 July 2022 ($000)	Transfers into fund ($000)	Transfers out of fund ($000)	Balance 30 June 2023 ($000)
Separate Operating Reserves					
Roading	Roading and Footpaths	2,412	11,882	(13,113)	1,181
Road Road Safety	Roading and Footpaths	28	5	0	33
Water Supply Urban	Water Supply Services	97	6,936	(6,885)	148
Wastewater	Wastewater	0	7,384	(7,008)	376
Eltham Drainage	Stormwater	35	4	0	39
Water Supply Pope	Water Supply Services	0	0	0	0
Water Supply Waimate West	Water Supply Services	6,912	2,752	(5,799)	3,865
Solid Waste Collection	Solid Waste	1,396	0	(572)	824
Nukumaru	Water Supply Services	0	110	(110)	0
Cold Creek	Water Supply Services	0	0	0	0
Hāwera Town Co-ordinator	District Economy	0	0	(2)	(2)
Total		**10,878**	**29,072**	**(33,489)**	**6,463**
Restricted Reserves					
Eltham Property	Corporate Activities	16	1	(13)	4
Hāwera Property	Corporate Activities	0	0	0	0
Pool Plant	Community Facilities	37	0	(37)	0
Larcom Beq-Turuturu Mokai	Community Facilities	102	4	0	106
Pātea Property	Corporate Activities	171	7	(7)	172
Wairoa Recreation Res	Community Facilities	692	84	0	775
Harbour Endowment	Corporate Activities	480	99	(2)	577
Centennial Bursary	Community Development	66	3	(3)	66
Kaūpokonui Beach	Corporate Activities	54	25	(36)	43
Total		**1,618**	**224**	**(98)**	**1,618**

Name	Activity to which the reserve relates	Balance 1 July 2022 ($000)	Transfers into fund ($000)	Transfers out of fund ($000)	Balance 30 June 2023 ($000)
Statutory Reserves					
Eltham Reserve Contributions	Corporate Activities	46	2	0	48
Hāwera Reserve Contributions	Corporate Activities	817	260	0	1,077
Pātea Reserve Contributions	Corporate Activities	0	0	0	0
District Reserve Contributions	Corporate Activities	414	18	0	432
Waimate Development Levy	Democracy and Leadership	295	13	(13)	295
Waverley Reserve Contributions	Corporate Activities	0	0	0	0
Ōpunakē Reserve Contributions	Corporate Activities	115	24	0	139
Manaia Reserve Contributions	Corporate Activities	45	2	0	47
Total		**1,733**	**319**	**(13)**	**2,038**
Council Created Reserves					
Safer Communities	Community Development	3	0	0	3
Economic Development Fund	Community Facilities	20	0	(35)	(15)
Tangata Whenua Grant Fund	Community Development	56	50	(40)	66
Forestry	Community Facilities	175	8	(43)	140
Ōkōtuku Domain	Community Facilities	26	5	0	31
Nukumaru Domain	Community Facilities	77	77	0	154
Centennial Close 1% Contribution	Community Facilities	7	0	(7)	(0)
Long Term Investment Fund	All Activities	127,923	11,458	(8,772)	130,609
Insurance Reserves	All Activities	0	120	(85)	35
Riparian/Indigenous	Environment Management	88	35	(55)	68
Urban Redevelopment	All Activities	1	0	0	1
Painting Reserve	All Activities	764	202	(138)	828
LTIF - Internally Invested	All Activities	15,574	0	(1,337)	14,237
Tourism Reserves	District Economy	260	80	0	340
Community Board Funding	Community Development	1	80	(78)	3
Total		**144,974**	**12,114**	**(10,591)**	**146,498**

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-Kaponga ward for funding of various projects in the Eltham-Kaponga ward.

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

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-Kaponga ward.

Hāwera Reserve Contributions - To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Te 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 Kāpuni Petrochemical Development for the funding of projects on public assets located on Council owed property or reserves located within the boundaries of the old Waimate Plains District Council. The principal fund to remain at no less than $260,000.

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 - To enable the Council to strategically intervene when required by practically supporting new business

Tangata Whenua Grant Fund - A fund for the management of grants to Tangata Whenua

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.

Nukumaru Domain - To manage revenue from the leasing of the Nukumaru Domain Recreation Reserve, which is Crown land vested in the Council, for the maintenance and development of the Domain.

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

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.

Community Board Funding - A fund for the management of funding to the various community boards.

Notes to Financial Statements

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

Council 2022 ($000)	Consolidated 2022 ($000)	For the period ending June 2022	Council 2023 ($000)	Consolidated 2023 ($000)
815	815	Reported Surplus (Deficit) after Taxation	(768)	(768)
		Add (Less) Non Cash Items		
19,629	19,629	Depreciation and Amortisation	25,873	25,873
(10,924)	(10,924)	Movement in swaps revaluations	(2,283)	(2,283)
0	0	Vested assets	(2,145)	(2,145)
		Add/(Less) items classified as investing or financing:		
1,937	1,937	(Gain)/Loss on Disposal of Property, Plant and Equipment	315	315
0	0	(Gain)/Loss on Sale/disposal of investments	0	0
11,195	11,195	(Gain)/Loss in fair value of financial assets	(4,765)	(4,765)
0	0	Movement in Landfill Aftercare Provision	0	0
(206)	(206)	Accrued Interest	(406)	(406)
		Add/(Less) items classified as investing or financing:		
224	224	Interest and Dividends	0	0
0	0	Interest and gains direct to investment	0	0
22,670	**22,670**		**15,821**	**15,821**
		Add(Less) Movements in Other Working Capital Items		
(316)	(316)	(Increase)/Decrease in Accounts Receivable	(2,203)	(2,203)
(747)	(747)	Increase/(Decrease) in Accounts Payable	3,859	3,859
102	102	Increase/(Decrease) in Accounts Payable	18	18
1	1	(Increase)/Decrease in Accounts Receivable	8	8
(777)	(777)	Increase/(Decrease) in Accounts Payable	538	538
124	124	(Increase)/Decrease in Accounts Receivable	(97)	(97)
(29)	(29)	Movement in Landfill Aftercare Provision	(29)	(29)
21,028	**21,028**	**Net Cash Inflow (Outflow) from Operating Activities**	**17,915**	**17,915**

Note 16: Related Parties

All transactions with related parties were:

- within a normal supplier or client/recipient relationship; and

- on terms and conditions no more or less favourable than those that it is reasonable to expect the Council and group would have adopted in dealing with the party at arm's length in the same circumstances; and therefore no disclosures are deemed necessary

Further, no disclosure has been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

Key Management Personnel

	Council 2022	Council 2023
Salaries and other short term benefits	1,031,023	1,144,816
Post-employment benefits	0	0
Other long-term benefits	0	0
Full-time equivalent members	4	5
Total key management personnel compensation	**1,031,023**	**1,144,816**

Notes to Financial Statements

Remuneration Paid - Elected Members

		Council 2022	Council 2023
Nixon P	Mayor	128,177	138,257
Beccard A	Councillor	39,932	42,382
Bellringer M	Councillor	34,699	38,180
Brown G	Councillor Councillor (to Oct 2022	37,961	10,954
Cleaver-Pittams R	Councillor (from Mar2023)	0	13,025
Filbee C	Councillor	34,257	39,355
Hohaia T	Councillor	0	29,586
Horo L	Councillor	0	29,092
Langton A	Councillor	38,926	42,988
Mackay S	Councillor	38,845	42,642
Northcott R	Councillor	54,235	59,443
Rangihaeata T	Councillor	0	27,101
Rangiwahia J	Councillor	37,532	10,763
Reid D	Councillor	37,110	39,742
Roach B	Councillor	37,377	41,606
Rook B	Councillor	36,732	38,899
Young C	Councillor (to Oct 2022)	38,163	11,693
Total		**593,947**	**655,708**
Full-time equivalent Councillors		13	14

Car allowance for Mayor Nixon P	4,055	4,037
	4,055	**4,037**

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

Chief Executive (Salary and Kiwisaver)

	Council 2022	Council 2023
Waid Crockett (until 28/10/22)	343,989	129,700
Fiona Aitken (acting CE from 29/10/22, appointed CE 5/12/22)	0	228,516
Total	**343,989**	**358,215**

Council employees

Total remuneration by band for employees as at 30 June	Council 2022
< $60,000	116
$60,000 - $79,000	53
$80,000 - $99,999	29
$100,000 - $119,999	15
$120,000 - $139,999	7
$140,000 - $199,999	7
$200,000 - $359,999	4
Total	**231**

Notes to Financial Statements

Total remuneration by band for employees as at 30 June	Council 2023
< $60,000	116
$60,000 - $79,000	57
$80,000 - $99,999	38
$100,000 - $119,999	15
$120,000 - $139,999	10
$140,000 - $199,999	8
$200,000 - $339,999	6
Total	**250**

At balance date, the Council employed 175 (2022: 155) full-time employees, with the balance of staff representing 30 (2022: 37) 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 2023, the Council made no severance payments to employees (2022: nil).

Note 18: Contingent Liabilities

The Council has provided guarantees to a number of 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.

	Council 2022 *$000*	Consolidated 2022 *$000*	Council 2023 *$000*	Consolidated 2023 *$000*
Financial guarantees as at balance date:				
Hāwera Cinema 2 Trust	30	30	30	30
	30	**30**	**30**	**30**
Other contingent liabilities:				
	0	0	0	0
	0	**0**	**0**	**0**

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 has no easement issues with private landowners relating to water pipelines.

Note 19: Commitments Accounting Policy

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.

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 2022 ($000)	Consolidated 2022 ($000)		Council 2023 ($000)	Consolidated 2023 ($000)
11	11	Within 12 months	12	12
5	5	1 -2 Years	11	11
0	0	2 - 5 Years	10	10
0	0	Over 5 Years	0	0
16	**16**		**33**	**33**

Capital Commitments

The Council has the following capital commitments as at balance date:

Council 2022 ($000)	Consolidated 2022 ($000)		Council 2023 ($000)	Consolidated 2023 ($000)
3,949	3,949	Roading and Footpaths	0	0
0	0	Bridges	0	0
17	17	Community Facilities	74	74
3,392	3,392	Water	895	895
1,358	1,358	Wastewater	0	0
85	85	Stormwater	54	54
0	0	Solid Waste	0	0
234	234	District Economy	11,967	11,967
0	0	Coastal Structures	0	0
184	184	Regulatory Services	0	0
9,218	**9,218**		**12,990**	**12,990**

The above commitments represent expenditures on all contracts to which the Council is committed to at balance date for the future.

A breakdown of the commitments in terms of time periods is outlined below:

Council 2022 ($000)	Consolidated 2022 ($000)		Council 2023 ($000)	Consolidated 2023 ($000)
9,194	9,194	Within 12 months	11,385	11,385
24	24	1 -2 Years	1,605	1,605
0	0	2 - 5 Years	0	0
0	0	Over 5 Years	0	0
9,218	**9,218**		**12,990**	**12,990**

Notes to Financial Statements

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. Ratepayer's funds are largely managed as a by-product of managing these items, and 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 but not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, the Council has Asset Management Plans for major classes of assets that detail renewal and maintenance programmes, to ensure future ratepayers 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. It also sets out the factors the Council must consider when deciding on 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 LTP.

The Council's Accounting Policies detail the various components of Public Equity held and Note 14 shows movements during the year.

Note 21: Significant Acquisitions

The Local Government Act 2002 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 in the relevant activity pages in this Annual Report.

Notes to Financial Statements

Project #	Project	Activity	Actual($)	Budget($)	Comment on significant variances
16200	Council Owned Property - EPB Remedial Work	Corporate Property	3,458	684,887	Work underway, to be completed in 23/24. The remaining budget will be carried-forward.
15910 to 15914	Hawera Town Centre Development	Economic Development	4,242,821	14,910,566	The budget is under one project with separate projects created for specific expenditure, to enable ease of capitalisation when projects are completed. The remaining budget will be carried-forward. Construction is underway, estimated to be completed in 2024.
15190	Manaia Hall - Refurbishment	Halls	0	950,784	Project Tukau, working in partnership with Nga-ruahine. The budget will be carried-forward to 24/25.
23058	Princes Street - Acquisition for Pensioner Housing	Housing for the Elderly	510,000	0	Project complete. Unbudgeted expenditure approved by Council during the year.
92015	South Taranaki Business Park - Stormwater	Stormwater	442,517	1,418,557	Works underway. Sufficient budget in next year so carry-forwards not required.
72002 to 72005	South Taranaki Business Park - Water	Urban Water Supply	2,099,781	655,532	Works underway. The actuals were funded from future budgets bought forward.
70015	Ōhawe Pipe Renewal	Urban Water Supply	904,205	514,997	Project complete. The actuals were funded from carry-forward budget from previous years.
71018	Pātea low pressure issues	Urban Water Supply	15,167	526,623	Work underway. The remaining budget will be carried-forward.
71025	Hāwera Residential Development Water Infrastructure	Urban Water Supply	767,786	0	Project complete. The actuals were funded from future budgets bought forward.
74014	Pātea WTP treatment enhancement WSP action	Urban Water Supply	213,268	1,922,347	Tender and construction next financial year. The remaining budget will be carried-forward.
74017	Eltham bore	Urban Water Supply	13,154	760,550	Project deferred to LTP

Notes to Financial Statements

Project #	Project	Activity	Actual	Budget	Comment on significant variances
74022	Ōpunakē Coag Optimisation	Urban Water Supply	24,968	543,250	Design works underway. The remaining budget will be carried-forward.
08003	Waimate West new reservoir 2008	Waimate West Water Supply	2,015,869	2,050,000	Construction underway, nearing completion. The remaining budget will be carried-forward.
76013	Oeo Road watermain renewal 21/22	Waimate West Water Supply	870,611	999,995	Project complete.
77510	Backwash pond sludge disposal as per WSP	Waimate West Water Supply	1,048,487	217,300	Project complete. The actuals were funded from carry-forward budget from previous years and additional budget approved by Council.
10074	Hāwera WWTP - Desludge Anaerobic Lagoon	Wastewater	34,998	775,761	Detailed design underway. The remaining budget will be carried-forward.
85010 to 85012	South Taranaki Business Park -Wastewater	Wastewater	486,658	869,953	Works underway. The actuals were funded from future budgets bought forward.
80016, 80019 to 80028 82001, 86017	Wastewater Renewals	Wastewater	1,161,313	1,303,800	The budget is under one project with separate projects created for specific expenditure, to enable ease of capitalisation when projects are completed. The remaining budget will be carried-forward.
87006	Wastewater pump station upgrades	Wastewater	799,109	0	Project complete. Actuals were funded from carry-forwards from previous years and additional budget approved by Council.
		Total	**15,654,170**	**29,104,902**	

Notes to Financial Statements

Note 22: Financial Instruments Accounting policy

The Council 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 our exposure to risk on debt.

Council 2022 ($000)	Consolidated 2022 ($000)		Council 2023 ($000)	Consolidated 2023 ($000)
		Financial Assets Fair Value through Comprehensive Revenue and Expenses		
1,420	1,420	Derivative Financial Instrument Assets	3,013	3,013
127,923	127,923	Long Term Investment Fund	130,609	130,609
129,343	**129,343**	**Total Fair Value through Comprehensive Revenue and Expenses**	**133,622**	**133,622**
		Financial Assets and Amortised Costs		
12,922	12,922	Cash and Cash Equivalents	6,542	6,542
0	0	Short Term Deposit	0	0
9,370	9,370	Accounts Receivable	11,979	11,979
1,999	1,999	LGFA Borrower Notes	2,189	2,189
1,322	1,322	Warmer Home Scheme Loans and Nukumaru Loans	1,987	1,987
25,614	**25,614**	**Total Financial Assets and Amortised Costs**	**22,697**	**22,697**
		Fair Value through Other Comprehensive Revenue and Expenses		
313	313	Fonterra Shares	344	344
15	15	Ravensdown Shares	15	15
0	0	LIC Shares	0	0
100	100	LGFA Shares	423	423
134	134	The N.Z. Local Government Ins. Corporation Ltd.	122	122
0	0	Whanganui Forestry Committee	0	0
562	**562**	**Total Fair Value through Other Comprehensive Revenue and Expenses**	**905**	**905**
		Financial Liabilities Fair Value through Comprehensive Revenue and Expenses		
690	690	Derivative Financial Instrument Liabilities	0	0
690	690	**Total Fair Value through Comprehensive Revenue and Expenses**	**0**	**0**
		Financial Liabilities at Amortised Cost		
9,821	9,821	Creditors and other payables	13,679	13,679
		Borrowings		
1,399	1,399	Secured Loans	5,900	5,900
112,000	112,000	Debentures	116,000	116,000
123,221	**123,221**	**Total Financial Liabilities and Amortised Costs**	**135,579**	**135,579**

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 sufficient borrowings and uncommitted facilities to meet its projected debt forecast for the following 12 months to manage liquidity risk.

As at June 30 2023 Council had committed Line of Credit arrangements totalling $30 million (2022 $30 million) in place with TSB Bank. A total of $5.9 million (2022 $1,406,250) 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	3,012,701
Upwards Shift in Zero Rate (100bp)	5,793,591
Downwards Shift in Zero Rate (100bp)	81,416

Interest Rate Risk

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 PriceWaterhouseCoopers 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

he 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. It is managed by the diversification of the Council's investment portfolio, which 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 sufficient funds to meet financial commitments as they fall due. We manage this risk by maintaining adequate funds available to meet projected needs 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

Notes to Financial Statements

instruments measured at fair value in the Statement of Financial Position.

Council 2022 ($000)	Consolidated 2022 ($000)		Council 2023 ($000)	Consolidated 2023 ($000)
		Financial Assets Derivative Financial Instruments		
0	0	- Quoted Market Price	0	0
1,420	1,420	- Observable Inputs	3,013	3,013
0	0	- Significant Non Observable Inputs	0	0
		Cash Funds		
0	0	- Quoted Market Price	0	0
7,473	7,473	- Observable Inputs	7,029	7,029
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
12,684	12,684	- Observable Inputs	12,913	12,913
0	0	- Significant Non Observable Inputs	0	0
		Global Bonds		
0	0	- Quoted Market Price	0	0
21,388	21,388	- Observable Inputs	21,213	21,213
0	**0**	- Significant Non Observable Inputs	**0**	**0**
		Trans-Tasman Equities		
313	313	- Quoted Market Price	344	344
17,513	17,513	- Observable Inputs	18,628	18,628
249	249	- Significant Non Observable Inputs	560	560
		Global Equities		
0	0	- Quoted Market Price	0	0
42,925	42,925	- Observable Inputs	47,863	47,863
0	**0**	- Significant Non Observable Inputs	**0**	**0**
		Low Volatility Equities		
0	0	- Quoted Market Price	0	0
10,606	10,606	- Observable Inputs	9,825	9,825
0	**0**	- Significant Non Observable Inputs	**0**	**0**
		Global Property Funds		
0	0	- Quoted Market Price	0	0
8,229	8,229	- Observable Inputs	6,545	6,545
0	**0**	- Significant Non Observable Inputs	**0**	**0**
		Global List Infrastructure		
0	0	- Quoted Market Price	0	0
7,107	7,107	- Observable Inputs	6,594	6,594
0	**0**	- Significant Non Observable Inputs	**0**	**0**
		Financial Liabilities Derivative Financial Instruments		
0	0	- Quoted Market Price	0	0
690	690	- Observable Inputs	0	0
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:

Notes to Financial Statements

Council 2022 ($000)	Consolidated 2022 ($000)		Council 2023 ($000)	Consolidated 2023 ($000)
1,820	1,820	Balance at 1 July	2,249	2,249
425	425	Purchase/(disposal) of new investment	190	190
4	4	Gain and losses recognised in comprehensive income	311	311
0	0	Transfers out of level 3	0	0
2,249	**2,249**	**Balance at 30 June**	**2,750**	**2,750**

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 a large number of customers, mainly ratepayers.

Financial instruments that subject the Council to potential credit risk principally consist of the following bank balances, investments and receivables as at balance date:

Council 2022 ($000)	Consolidated 2022 ($000)		Council 2023 ($000)	Consolidated 2023 ($000)
7,473	7,473	Cash and Cash equivalents	7,029	7,029
0	0	Short Term Deposit	0	0
36,071	36,071	Bonds	36,315	36,315
1,322	1,322	Loans and Receivables	1,987	1,987
9,370	9,370	Accounts Receivables	11,979	11,979
54,236	**54,236**	**Total Financial Asset Credit Risk**	**57,310**	**57,310**

Council 2022 ($000)	Consolidated 2022 ($000)		Council 2023 ($000)	Consolidated 2023 ($000)
		Bonds		
21,397	21,397	AAA, Government and Agency	22,523	22,523
4,885	4,885	AA+/AA/AA-	4,736	4,736
5,815	5,815	A+/A/A-	4,871	4,871
3,501	3,501	BBB+/BBB	3,669	3,669
473	473	Sub Prime Grade	514	514
36,071	**36,071**		**36,313**	**36,313**
		Cash and Short Term Deposit		
0	0	AAA, Government and Agency	0	0
7,473	7,473	AA+/AA/AA-	7,029	7,029
0	0	A+/A/A-	0	0
0	0	BBB+/BBB	0	0
7,473	**7,473**		**7,029**	**7,029**
		Existing Counterparties with no defaults in the past		
1,322	1,322	Loans and Receivables	1,987	1,987
42,925	42,925	Global Equities	47,863	47,863
8,229	8,229	Global Property	6,545	6,545
7,107	7,107	Global Listed Infrastructure	6,594	6,594
17,513	17,513	Trans-Tasman Equities	18,628	18,628
10,606	10,606	Low Volatility	9,825	9,825
562	562	Other shares and notes	905	905
88,262	**88,262**		**92,346**	**92,346**
131,806	**131,806**	**Total Financial Assets**	**135,688**	**135,688**

Financial Assets Sensitivity Analysis

Cash and Cash Equivalents

As part of a diversified portfolio of investments the Council has an investment of $7.03m in a wholesale cash fund. The Council also has $6.5m available in 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 sufficient 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 income earned.

Interest Rate Risk
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 $135,697 over a 1 year period if balances remained unchanged.

Credit Risk
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 practicable 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 sufficient cash to meet a drawdown by the Council. This risk is not significant as sufficient liquidity is maintained through lines of credit facilities and units in the funds can be sold on demand. The Council is exposed to liquidity risk as a guarantor of all of NZLGFA's borrowings. This guarantee becomes callable in the event of the NZLGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 24.

Bonds
As part of a diversified portfolio of investments we have an investment of $36.31m in bonds. This comprises an investment in Harbour Investments Bond Portfolio $12.91m, PIMCO and Wellington portfolios managed by Fisher Funds $21.21m and $2.19m in LGFA Borrower Notes.

Interest Rate Risk
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 $363,130 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. The Council is exposed to credit risk as guarantor of all NZLGFA's borrowings. Information about this exposure is explained in note 24.

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 have an impact of $901,540.

Loans and Receivables
All loans and receivables due to the Council that 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 $4,100.

Notes to Financial Statements

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 investments the Council has an investment of $76.32 in equity funds, Global Property of $6.54m and Global Listed Infrastructure of $6.59m.

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 $763,161.

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 72% 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 2022 *($000)*	Consolidated 2022 *($000)*		Council 2023 *($000)*	Consolidated 2023 *($000)*
2,855	2,855	Australian Dollar	2,094	2,094
198	198	Brazilian Real	65	65
190	190	Belize Dollar	0	0
1,325	1,325	Canadian Dollar	1,345	1,345
3,367	3,367	Swiss Franc	3,437	3,437
4	4	Chilean Peso	32	32
1	1	Czech Koruna	1	1
12,775	12,775	Euro	13,267	13,267
4,368	4,368	British Pound	4,892	4,892
1,506	1,506	Hong Kong Dollar	1,238	1,238
5	5	Hungarian Forint	7	7
4,760	4,760	Japanese Yen	6,955	6,955
755	755	Danish Krona	887	887
12	12	Polish Zloty	24	24
541	541	Mexican Peso	419	419
363	363	Norwegian Krone	324	324
37,089	37,089	New Zealand Dollar	37,861	37,861
573	573	Swedish Krona	509	509
457	457	Singapore Dollar	329	329
54,176	54,176	United States Dollar	55,116	55,116
907	907	Chinese Yuan	722	722
82	82	Indonesian Rupiah	50	50
354	354	South Korean Won	299	299
124	124	Thai Baht	54	54

Notes to Financial Statements

Council 2022 ($000)	Consolidated 2022 ($000)		Council 2023 ($000)	Consolidated 2023 ($000)
178	178	Malaysian Ringgit	85	85
181	181	Taiwanese Dollar	187	187
20	20	South African Rand	18	18
19	19	Turkish Lira	30	30
143	143	Peruvian Sol	125	125
500	500	Israeli Shekel	214	214
11	11	Colombian Peso	16	16
0	0	Romania Leu	7	7
0	0	United Arab Emirates Dirham	0	0
127,839	**127,839**		**130,609**	**130,609**

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 $000	Contractual Cashflows $000	Less than 1 Year $000	1 - 2 Years $000	2 - 5 Years $000	More than 5 Years $000
Council 2023						
Creditors and Other Payables	13,679	13,679	13,679	0	0	0
Secured Loans	5,900	5,920	5,920	0	0	0
Debentures	116,000	194,221	20,052	19,254	60,460	94,454
Finance Leases	1,137	1,164	85	85	188	806
Net Settled Derivative Liabilities	0	0	0	0	0	0
Total	**136,717**	**214,985**	**39,737**	**19,339**	**60,648**	**95,260**
Consolidated 2023						
Creditors and Other Payables	13,680	13,680	13,680	0	0	0
Secured Loans	5,900	5,920	5,920	0	0	0
Debentures	116,000	194,221	20,052	19,254	60,460	94,454
Finance Leases	1,137	1,164	85	85	188	806
Net Settled Derivative Liabilities	0	0	0	0	0	0
Total	**136,718**	**214,986**	**39,738**	**19,339**	**60,648**	**95,260**
Council 2022						
Creditors and Other Payables	9,821	9,821	9,821	0	0	0
Secured Loans	0	75	75	0	0	0
Debentures	112,000	126,461	12,878	15,602	40,924	57,056
Finance Leases	1,215	1,250	85	85	236	844
Net Settled Derivative Liabilities	690	3,077	1,111	914	839	211
Total	**123,726**	**140,683**	**23,971**	**16,602**	**41,999**	**58,111**
Consolidated 2022						
Creditors and Other Payables	9,821	9,821	9,821	0	0	0
Secured Loans	0	75	75	0	0	0
Debentures	112,000	126,461	12,878	15,602	40,924	57,056
Finance Leases	1,215	1,250	85	85	236	844
Net Settled Derivative Liabilities	690	3,077	1,111	914	839	211
Total	**123,726**	**140,683**	**23,971**	**16,602**	**41,999**	**58,111**

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.

Notes to Financial Statements

Assets

	Carrying Amount $000	Contractual Cashflows $000	Less than 1 Year $000	1 - 2 Years $000	2 - 5 Years $000	More than 5 Years $000
Council 2023						
Cash and Cash equivalents	6,541	6,541	6,541	0	0	0
Loans and Receivables	1,987	2,368	297	289	812	970
Accounts Receivable	11,979	11,979	11,979	0	0	0
Net Settled Derivative Asset	3,013	5,816	1,345	1,057	2,627	787
Total	**23,520**	**26,704**	**20,162**	**1,346**	**3,439**	**1,757**
Consolidated 2023						
Cash and cash equivalents	6,541	6,541	6,541	0	0	0
Loans and Receivables	1,987	2,368	297	289	812	970
Accounts Receivable	11,979	11,979	11,979	0	0	0
Net Settled Derivative Asset	3,013	5,816	1,345	1,057	2,627	787
Total	**23,520**	**26,704**	**20,162**	**1,346**	**3,439**	**1,757**
Council 2022						
Cash and cash equivalents	12,922	12,922	12,922	0	0	0
Loans and Receivables	1,521	1,813	228	221	622	742
Accounts Receivable	9,370	9,370	9,370	0	0	0
Net Settled Derivative Asset	1,420	3,698	380	457	1,954	1,906
Total	**25,233**	**27,803**	**22,900**	**678**	**2,576**	**2,648**
Consolidated 2022						
Cash and cash equivalents	12,922	12,922	12,922	0	0	0
Loans and Receivables	1,521	1,813	228	221	622	742
Accounts Receivable	9,370	9,370	9,370	0	0	0
Net Settled Derivative Asset	1,420	3,698	380	457	1,954	1,906
Total	**25,233**	**27,803**	**22,900**	**678**	**2,576**	**2,648**

Maturity term of LTIF Bonds

Council 2022 *($000)*	Consolidated 2022 *($000)*		Council 2023 *($000)*	Consolidated 2023 *($000)*
513	513	Less than one year	1,266	1,266
10,597	10,597	One to five years	9,478	9,478
22,962	22,962	Greater than five years	23,382	23,382
34,072	**34,072**		**34,126**	**34,126**

Note 23: Derivatve Financial Instruments

Council 2022 *($000)*	Consolidated 2021 *($0002*		Council 2023 *($000)*	Consolidated 2023 *($000)*
		Current Asset Portion		
19	19	Total rate swaps	307	307
19	**19**	**Total current asset portion**	**307**	**307**
		Non-current asset portion		
1,401	1,401	Interest rate swaps	2,705	2,705
1,401	1,401	Total non-current asset portion	2,705	2,705
1,420	**1,420**	**Total derivative financial instrument assets**	**3,013**	**3,013**
		Current liability portion		
99	99	Interest rate swaps	0	0
99	**99**	**Total current liability portion**	**0**	**0**
		Non-current liability portion		
591	591	Interest rate swaps	0	0
591	591	Total non-current liability portion	0	0
690	**690**	**Total derivative financial instrument liabiliities**	**0**	**0**

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 $115 million (2022 $121 million). At 30 June 2023, the fixed interest rates for cash flow hedge interest rate swaps varied from 1.45% to 5.19% (2022 1.45% to 5.19%).

The Council maintains an interest rate policy framework to protect against all potential interest rate scenarios (that is, not simply a sharply declining environment), acting as a prudent financial manager, which requires a minimum level of interest rate fixing. It 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, 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 our 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. This is a non-cash adjustment and the mark to market gains will not be realised as the interest rate hedging contracts are generally held to maturity.

Note 24: New Zealand Local Government Funding Agency

The Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has a local currency rating from S&P Global Ratings of AAA and a foreign currency rating of AA+ and a local currency rating and foreign currency rating of AA+ from Fitch.

Guarantees

Accounting Standards require the Council to initially recognise the guarantee liability by applying the 12-month expected credit loss model (as fair value could not be reliably measured) and subsequently at the higher of the provision for impairment at balance date determined by the expected credit loss model and the amount initially recognised. At the end of financial year, the Council have assessed the 12-month expected credit losses of the guarantee liability, based on market information of the underlying assets held by the NZLGFA. The estimated 12-month expected credit losses are immaterial due to the extremely low probability of default by the NZLGFA in the next 12 months, and therefore, the Council have not recognised a liability.

Uncalled capital

As at 30 June 2023, the Council is one of 31 local authority shareholders and 71 local authority shareholders of the NZLGFA. In that regard it has uncalled capital of $100,000. When aggregated with the uncalled capital of other shareholders, $20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2023, NZLGFA had borrowings totalling $17,684m (2022: $15,789m).

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 Activity Group

Council 2022 *($000)*	Consolidated 2022 *($000)*		Council 2023 *($000)*	Budget 2023 *($000)*	Consolidated 2023 *($000)*
1,033	1,033	Corporate Activities	1,205	1,348	1,205
6	6	Democracy and Leadership	9	16	9
439	439	Arts and Culture	473	409	473
3,002	3,002	Community Facilities	3,226	2,805	3,226
46	46	District Economy	41	515	41
1	1	Community Development	0	1	0
31	31	Regulatory Services	17	77	17
4,984	4,984	Water Supply	6,952	5,834	6,952
7,355	7,355	Roading and Footpaths	9,383	7,844	9,383
693	693	Stormwater	867	739	867
1,695	1,695	Wastewater	2,813	1,723	2,813
101	101	Solid Waste	127	112	127
241	241	Coastal Structures	761	155	761
1	1	Environmental Management	0	0	0
19,629	**19,629**		**25,873**	**21,578**	**25,873**

Note 26: Explanations of Major Variances Against Budget

Explanations for major variations from the Council's budget figures in its 2022/23 Annual Plan are as follows:

Statement of Comprehensive Revenue and Expense

- Financial Revenue is higher than budgeted by $3.8m due to unbudgeted gain on derivatives and interest rates significantly higher than anticipated.
- Other Revenue is higher than budget by $2.3m due to assets vested to the Council which were unbudgeted.
- Depreciation costs are higher than budget by $4.3m due to significant increase in asset values.
- Other expenses are higher than budget by $7.9m due to increased contractor costs, weather related events, recoverable works, and consultants.
- Finance costs are higher than budget by $1.3m due to an increase in floating rates.

Statement of Financial Position

- Current Assets are lower than budget by $2.2m primarily as a result of the LTIF balance being higher at the time of the Annual Plan 2022/23 preparation.
- Non-Current Assets are higher than budget by $288m primarily as a result of greater than anticipated gains on the revaluation of Fixed Assets.
- Non-Current Liabilities are lower than budget by $21.3m largely due to lower than expected term debt, because of lower than anticipated Capital Expenditure.

Notes to Financial Statements

Note 27: Insurance Information

	2022 *$000*	2023 *$000*
Total value of all assets covered by insurance contracts	316,109	313,067
Total value of all assets covered by financial risk sharing arrangements	392,403	439,491
Total assets covered by insurance	**708,511**	**752,558**

Note 28: Rating Base Information

	30/06/2022	30/06/2023
Number of rating units	14,313	14,362
Total capital value of rating units	$11,206,079,600	$13,481,583,550
Total land value of rating units	$7,518,812,250	$9,062,802,750

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 is now disposed of at Bonny Glen near Marton under a 35-year contract with Midwest Disposals Ltd who operate the landfill. As there is no alternative use for the Central Landfill, all capital costs incurred were written off to surplus or deficit in 2018/19. In October 2019, Council received $2.03 million of unspent contributions. There has been no activity during the 2022/23 financial year.

Note 30: Three Waters

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force

on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

The financial impact of the water services reform on the Council remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

Note 31: Items Subsequent to Balance Date

We have no items subsequent to balance date.

Note 32: Financial Prudence Benchmarks

Annual Report Disclosure Statement for year ending 30 June 2023

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether we are prudently managing 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. Refer to the Regulations for more information, including definitions of some of the terms used in this statement

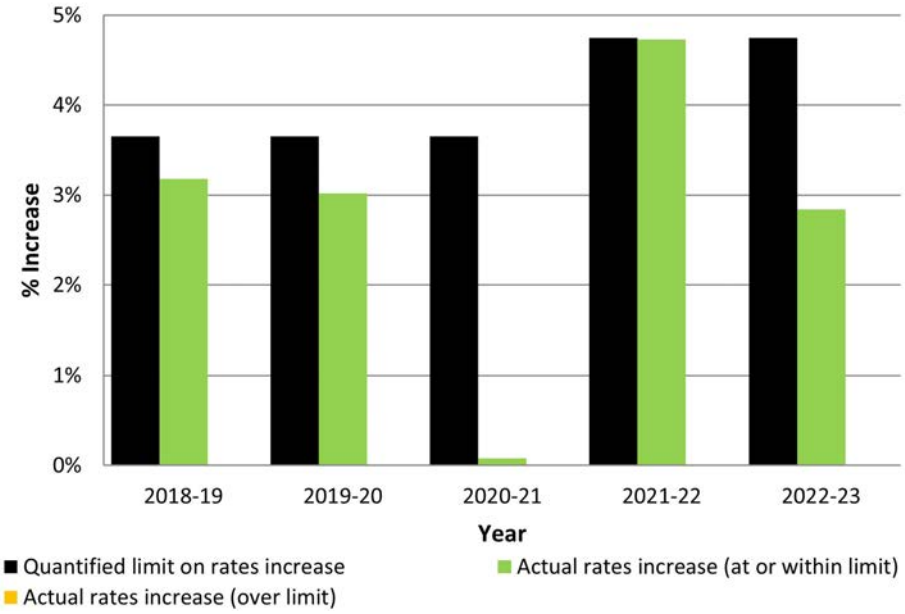
Rates affordability benchmark

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) Affordibility Benchmark

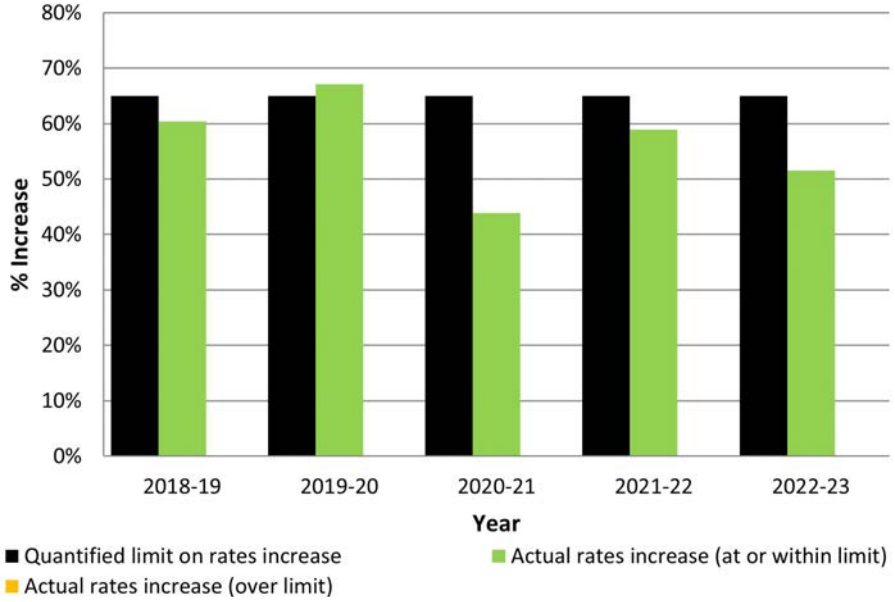
The following graph compares the Council's actual rates increases with a quantified limit on rates included in the Financial Strategy included in the Long Term Plan. The quantified limit is the Local Government Cost Index plus 2%.



Notes to Financial Statements

Rates (Income) Affordibility Benchmark

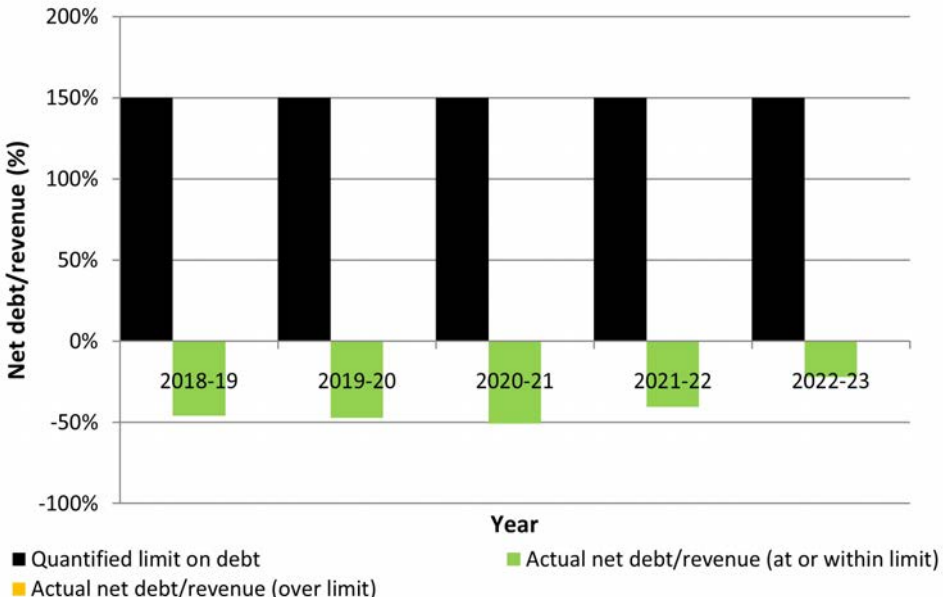
The following graph compares the Council's actual rates income with a quantified limit on rates included in the Financial Strategy included in the Long Term Plan. The quantified limit is rates income is 60-65% of total projected revenue.



Debt Affordability Benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The following 5 graphs compares the Council's actual borrowing stated in the Financial Strategy included in the Council's Long Term Plan. These 5 graphs are based on the Council's definitions and not the legislation.

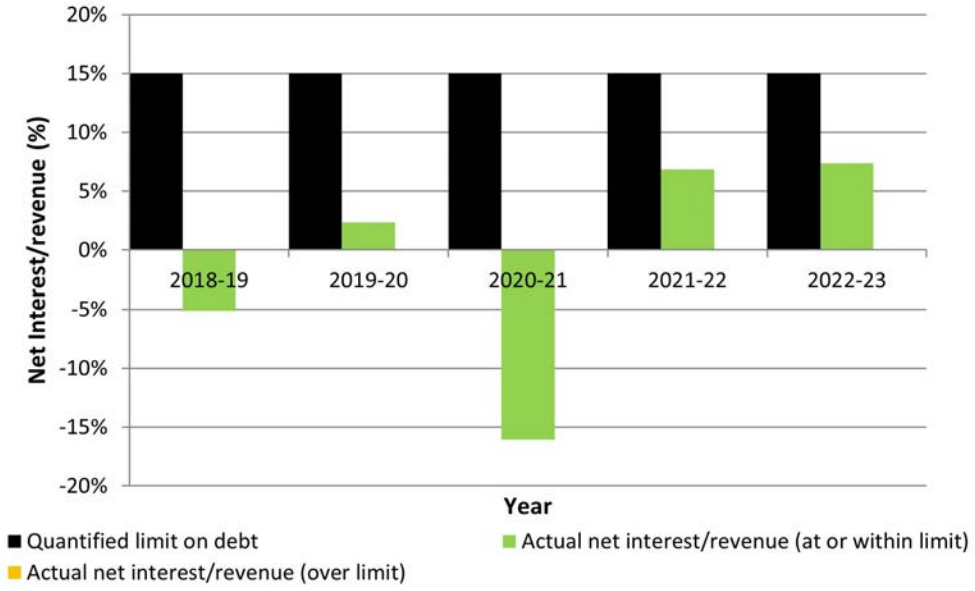
1 – The quantified limit is net debt less than 150% of revenue.



Notes to Financial Statements

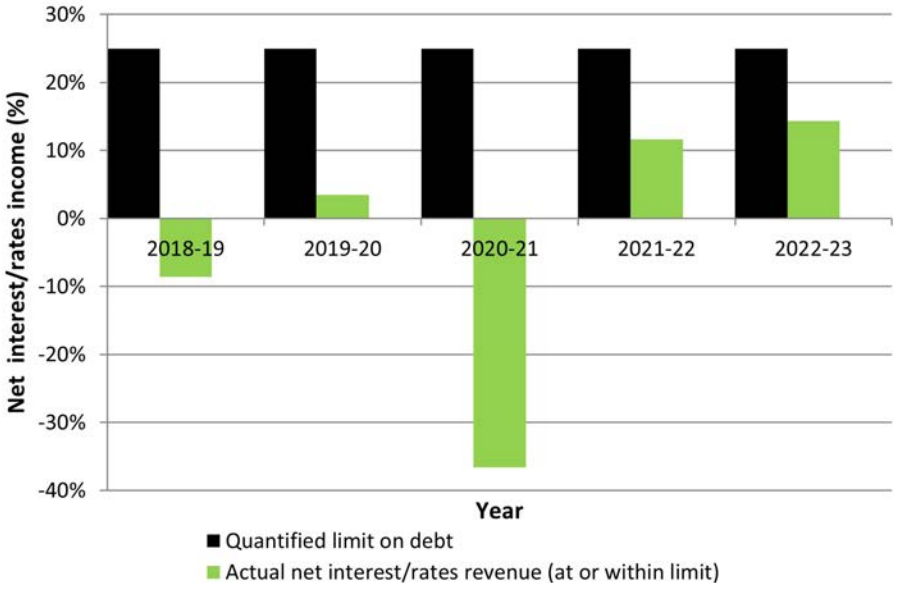
Debt Affordability Benchmark

2 - Net interest expense as a percentage of total annual income of not more than 15%



Debt Affordability Benchmark

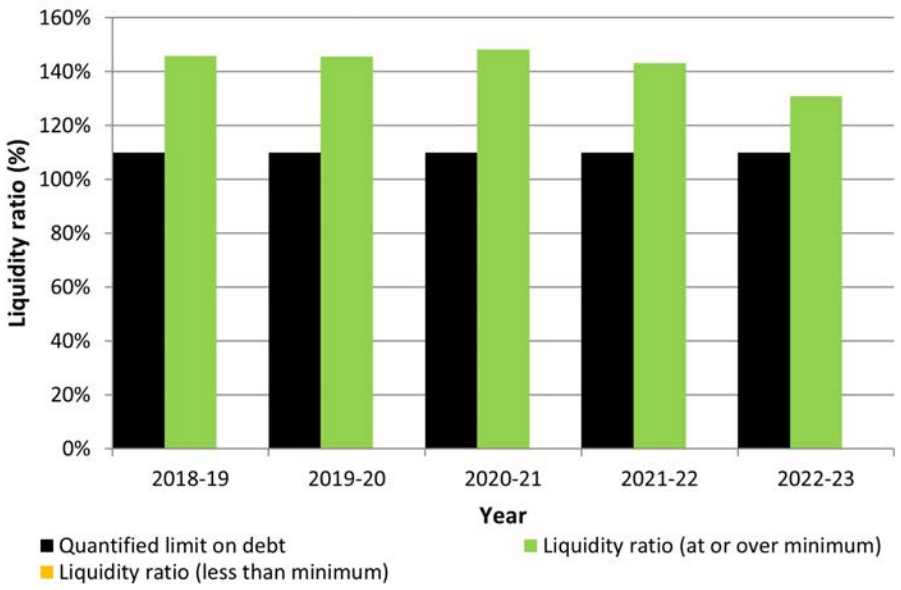
3 - Net interest expense as a percentage of total annual rates income of not more than 25%



Notes to Financial Statements

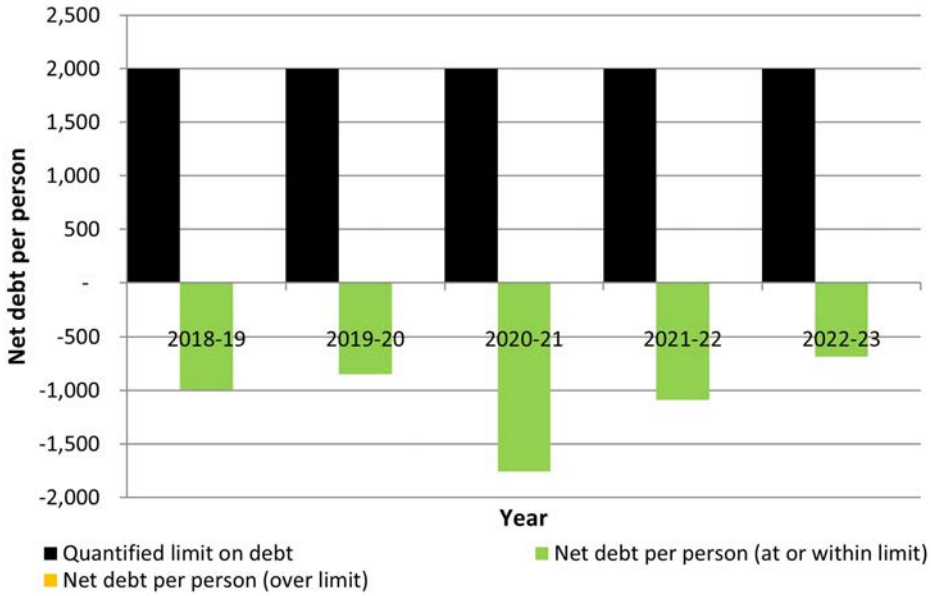
Debt Affordability Benchmark

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

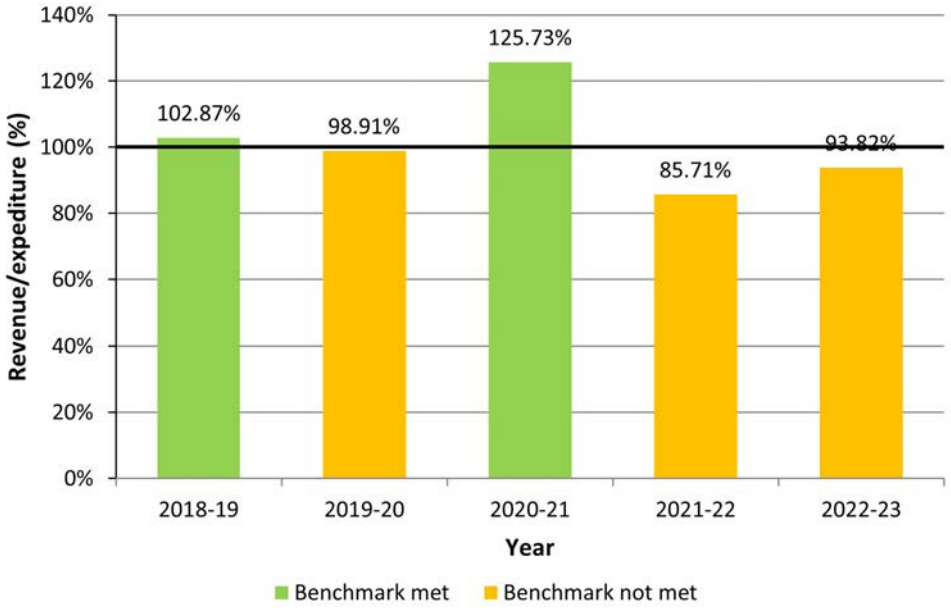
5 - Net debt per capita is less than $2,000 per person



Notes to Financial Statements

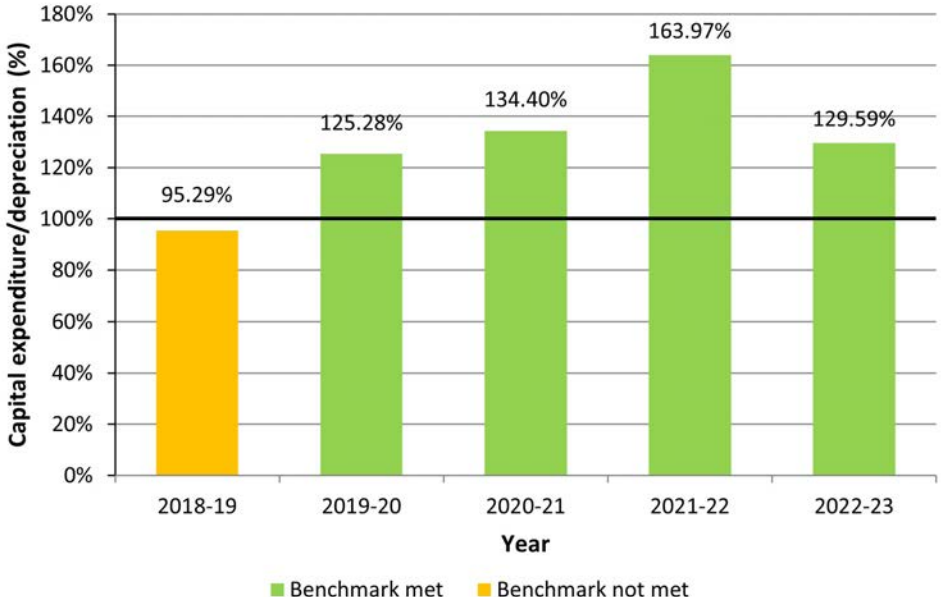
Balanced Budget Benchmark

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



Essential Services Benchmark

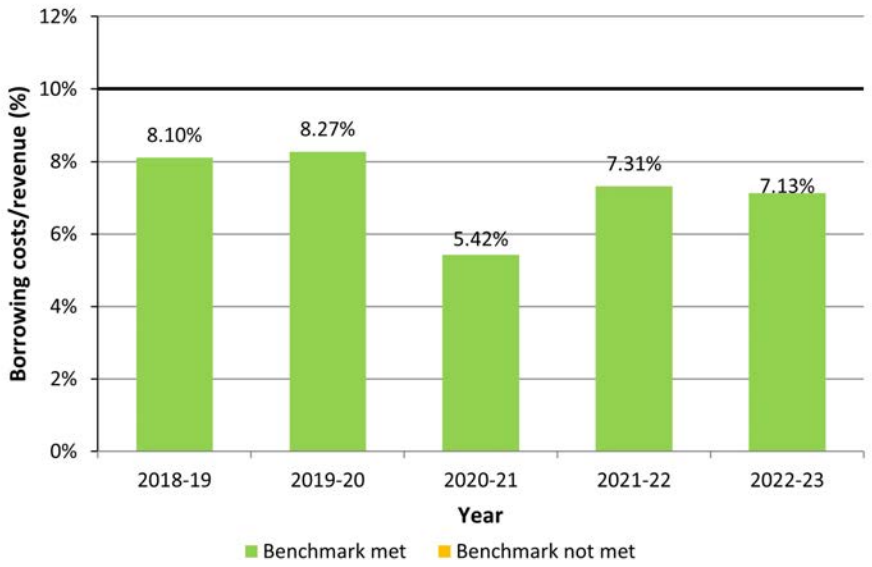
The following graph displays the Council's Capital Expenditure on network services as a proportion of depreciation on network services. We meet this benchmark if our capital expenditure on network services equal or is greater than depreciation on network services.



Notes to Financial Statements

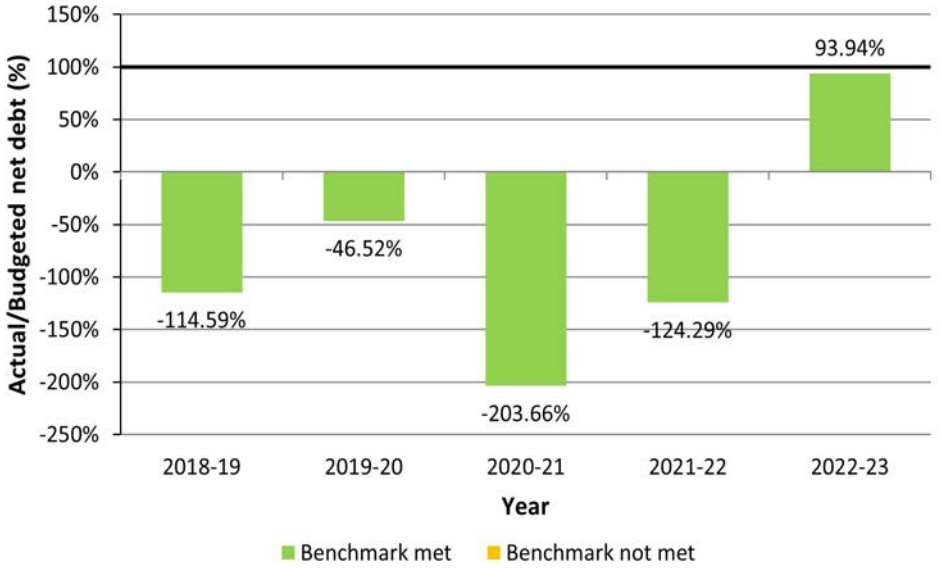
Debt Servicing Benchmark

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 our 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 Control Benchmark

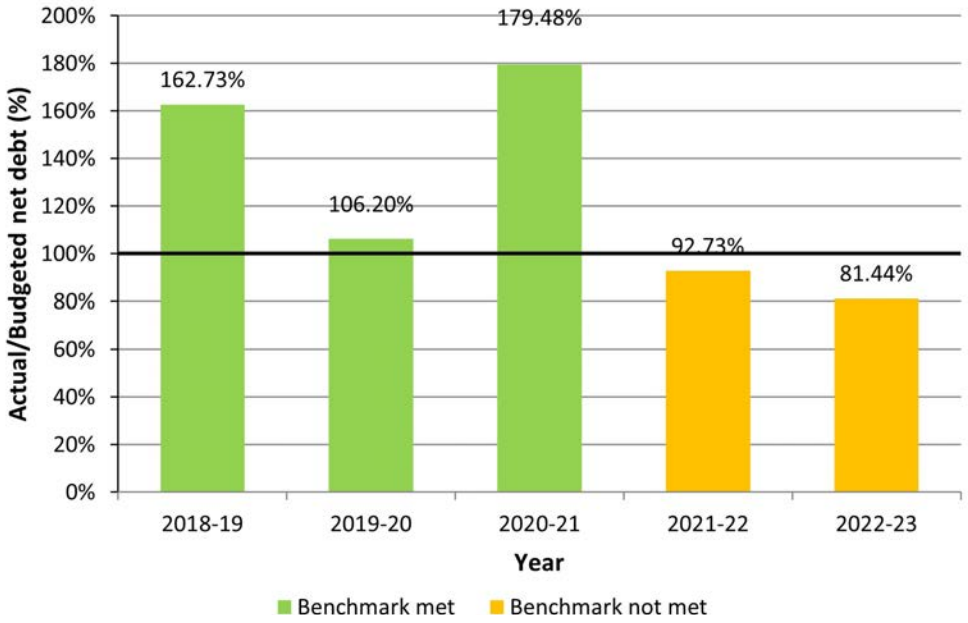
The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities, less financial assets (excluding trade and other receivables). The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



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.



Political Structure

Mayor
Phil Nixon

Deputy Mayor
Robert Northcott

Policy and Strategy Committee ⟷ **Council** ⟷ **Community Boards**

Environment and Hearings Committee

Chairperson
Andy Beccard
Deputy Chairperson
Steffy Mackay
Committee
Robert Northcott
Aarun Langton
Diana Reid
Leanne Horo
Iwi Representative
Tane Houston

Te Kāhui Matauraura

Chairperson Phil Nixon
Deputy Chairperson Robert Northcott
Committee
Ngapari Nui
Turangapito Parata
Graham Young
Wharehoka Wano
Ngawai Terry
Marty Davis
Hinewai Katene
John Hooker
Ferinica Hawe-Foreman
Andy Beccard
Tuteri Rangihaeata
Aarun Langton

Risk and Assurance Committee

Chairperson
Phillip Jones (External)
Committee
Andy Beccard
Phil Nixon
Celine Filbee
Te Aroha Hohaia
Racquel Cleaver
Iwi Representative
Marie Broughton

Personnel Committee
District Licensing Committee
Eltham Drainage Committee

Community Services Portfolio Group
Infrastructure Portfolio Group

Ngā Kaikōwhiri

Elected Members

Ō koutou Kaikaunihera
Your Councillors
(2022 - 2025 term)

Mayor Phil Nixon

Deputy Mayor
Robert Northcott

Andy Beccard

Mark Bellringer

Racqual Cleaver-Pittams

Celine Filbee

Aarun Langton

Steffy Mackay

Tuteri Dal Rangihaeata

Te Aroha Hohaia

Diana Reid

Bryan Roach

Brian Rook

Leanne Kuraroa Horo

Ō koutou Poari Hapori
Your Community Boards
(2022 - 2025 term)

Eltham-Kaponga
Alan Hawkes, Sonya Douds, Karen Cave (Chair) and Alan Hawkes.
Cr Steffy Makay (not pictured)

Pātea
Cheryl Rook, Jacq Dwyer (Chair), Owen Savage and Bronwyn Wattrus.
Cr Rob Northcott (not pictured)

Taranaki Coastal
Sharlee Mareikura, Liz Sinclair, Andy Whitehead (Chair) and Monica Willson
Cr Aarun Langton (not pictured)

Te Hāwera
Heather Brokenshire, Nikki Watson (Chair), Andrew Blanche and Raymond Buckland
Cr Diana Reid (not pictured)

Kāhui Kahika me ngā Kaimahi

Management and Staff

The Chief Executive's role and responsibilities

The Council's governance policies and legislation determine the Chief Executive's role and responsibilities. All delegations are from the Council to the Chief Executive except for certain provisions in the Resource Management Act 1991 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 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 $1 million;
- Up to 20% above a budgeted expenditure item greater than $250,000 but less than $1 million,
- Up to 20% (maximum $50,000) for items less than $250,000;
- Up to $100,000 for net unbudgeted expenditure (gross unbudgeted amount not to exceed $1 million);
- 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 and monitor their performance. The Committee consists of the Mayor, the Deputy Mayor, the Chairman of the Environment and Hearings Committee and two councillors.

Senior Leadership Team

Fiona Aitken	Chief Executive
Waid Crockett	Chief Executive (June 2022 to October 2022)
Fiona Aitken	Group Manager Community and Infrastructure Services (June 2022 to December 2022)
Rob Haveswood	Group Manager Community Services (from January 2023)
Herbert Denton	Group Manager Infrastructure Services (from January 2023)
Liam Dagg	Group Manager Environmental Services
Marianne Archibald	Group Manager Corporate Services

Our staff

The table below shows changes in staff numbers across departments.

	2022			2023 (until 30 June)		
	Fulltime	Part-time	Fixed Term	Fulltime	Part-time	Fixed Term
Office of the Chief Executive	10	0	0	9	0	0
Community and Infrastructure (June 2022 – Dec 2022)	83	42	6	0	0	0
Environmental	26	2	3	23	3	1
Community (January - June 2023)				45	45	5
Infrastructure (January - June 2023)				49	2	0
Corporate	31	9	2	43	4	3
Totals	**150**	**53**	**11**	**169**	**54**	**9**

Council-Controlled Organisations

The Council has no council-controlled organisations. It owns 100% of Novus Contracting Ltd, a company that is exempt from being a Council Controlled Organisation under Section 7 (3) of the Local Government Act 2002.

Kāhui Kahika me ngā Kaimahi

Management and Staff

Office Locations

The main Council Administration Building is in Albion Street, Hāwera and we provide an extensive combined library and Council service throughout the District, known as LibraryPlus centres in Ōpunakē, Eltham, Hāwera, Kaponga, Manaia, Pātea and Waverley. The services available at each LibraryPlus include payment of rates and accounts, enquiries for housing for the elderly, burials, building consent applications, property file requests and community facility bookings. Six of the LibraryPlus centres are agencies for the dissemination of visitor information.

Hāwera Administration Building	105-111 Albion Street Hāwera 4610 Telephone: 06 278 0555 Tollfree: 0800 111 323 Website: *www.southtaranaki.com* **Postal Address** South Taranaki District Council Private Bag 902 Hāwera 4640
Hāwera LibraryPlus	High Street, Hāwera Telephone: 0800 111 323 Fax: 06 278 9407
Eltham LibraryPlus	High Street, Eltham Telephone: 0800 111 323 Fax: 06 764 8857
Kaponga LibraryPlus	Egmont Street, Kaponga Telephone: 0800 111 323 Fax: 06 764 6088
Manaia LibraryPlus	South Road, Manaia Telephone: 0800 111 323 Fax: 06 274 8374

Ōpunakē LibraryPlus	Napier Street, Ōpunakē Telephone: 0800 111 323 Fax: 06 761 7039
Pātea LibraryPlus	Egmont Street, Pātea Telephone: 0800 111 323 Fax: 06 273 8340
Waverley LibraryPlus	Weraroa Road, Waverley Telephone: 0800 111 323 Fax: 06 346 6052
isite Visitor Centre	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

Deloitte, Auckland,
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

www.southtaranaki.com