

# SOUTH TARANAKI DISTRICT COUNCIL'S ANNUAL REPORT SUMMARY ••••• 2019/20 •••••

MAKING SOUTH TARANAKI

THE MOST

*liveable*

DISTRICT IN NZ

# Mihi

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

Mai i Okurukuru ki Rāwa o Turi,  
Rāwa o Turi ki Waingongoro,  
Waingōngoro ki Whenuakura,  
Whenuakura ki Waitōtara.

Ko wai tērā, ko Taranaki ki te Tonga.

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

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

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

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

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

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

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

*Who are we, South Taranaki.*

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

*Return to Hawaiki nui, Hawaiki roa and Hawaiki pāmamao.*

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

*So, the focus for this is the Long Term Plan, to look forward for us the people of South Taranaki. To achieve the hopes and dreams to enhance our region.*

*In conclusion, to you and us all, Peace flow across us!*





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# MAYOR & CHI TE REO MAIOHA TĀ TE KOROMĀ

Welcome to the South Taranaki District Council's Annual Report Summary 2019/2020. This Report summarises how we performed against the objectives and priorities we set in our 2019/20 Annual Plan (Year 2 of our 2018-2028 Long Term Plan) while dealing with our response to the COVID-19 pandemic. It has been an extraordinary period as we look back over the last financial year (1 July 2019 to 30 June 2020).

It's hard to recall other events under the cloud of COVID-19, however significantly the District's triennial local body elections were held on 17 October 2019. The election saw former Deputy Mayor Phil Nixon secure the mayoralty along with six new representatives Aaron Langton, Chris Young, Diana Reid, Celine Filbee, Brian Rook and Mark Bellringer who joined incumbents Gary Brown, Andy Beccard, Jack Rangiwhia, Steffy Mackay, Rob Northcott and Bryan Roach on the Council. Across the District ten new members were elected to the Community Boards, with voter turnout in South Taranaki almost 10% higher than last election.

The Council's vision is to make South Taranaki the most liveable District in New Zealand with an attractive and affordable lifestyle, connected people in sustainable and vibrant communities. The 12 months to the end of June 2020 saw good progress made on a number of priorities and projects we undertook in order to achieve our vision. However, COVID-19 and the associated 'lockdowns' (from March 2020) had a major impact on the Council's service delivery, work programmes and revenue streams and meant we needed to quickly change our focus to respond to the crisis. We are proud of the way Council staff worked, in very challenging circumstances, to keep our essential services operating – such as ensuring our households had safe drinking water, the wastewater system kept operating, rubbish was collected and essential roading and safety repairs were made. We also played an active role in, the emergency management response (Civil Defence).

During this time the Council developed a range of measures aimed at bringing relief to residents and businesses, some of which were able to be actioned immediately while others required additional planning before being introduced. One of the key initiatives introduced was a zero % rate increase for the 2020/2021 financial year as well as a freeze on fees and charges and payment plans and remission of rate penalties for financial hardship.

The implementation of the Hāwera Town Centre Strategy continued with the purchase of two properties – one (26 Union Street) for future development to link the Napier Street carpark to Union Street and the other, a property on the corner of Victoria and Little Regent Streets, to extend of the Little Regent Street carpark. The new Nelson Street one way (between Victoria and Union Streets), was also completed in December 2019. Development of Te Ramanui o Ruapūtahanga the District's new Heritage, Arts, Library, Culture and Information Centre (on

## INTRODUCTION

Welcome to the South Taranaki District Council's 2019/20 Annual Report Summary. The purpose of this Summary is to provide an overview of the Council's activities over the last financial year (1 July 2019 to 30 June 2020) and to identify any major differences to what the Council set out to do in its 2019/20 Annual Plan (the second year of our 2018 – 2028 Long Term Plan).

The Annual Report Summary shows how well the District's assets are being looked after and how well the Council is performing as an organisation. The information included in this Summary has been taken from the audited Annual Report (which received an unmodified Audit Opinion) which was adopted by the Council on Monday 30 November 2020. The Annual Report Summary does not provide as complete an understanding as the full Annual Report. For more detailed information covering all of the Council's activities please refer to the full Annual Report. Copies of the full Annual Report are available on request (phone 0800 111 323) for a copy to be sent out to you or you can view it on the Council website [www.southtaranaki.com](http://www.southtaranaki.com).

## WHERE DOES THE ANNUAL REPORT FIT IN?

Every council in New Zealand is required to prepare a Long Term Plan (with a ten year timeframe), as well as an Annual Plan and an Annual Report. These three documents form the essential guide to what Council does in any given year. The Long Term Plan and the Annual Plan set out what the Council plans to do, while the Annual Report states what the Council has actually done. The 2019/20 Annual Report reflects progress made in Year 2 of our 2018-2028 Long Term Plan.

# CHIEF EXECUTIVE'S MESSAGE

## TUA ME TE TUMU PAETAKI

the corner of High Street and Regent Street, Hāwera) continued with its Resource Consent being heard by an Independent Commissioner on 30 June 2020. The Commissioner later approved the resource consent and planning for development has begun.

The Town Centre Revitalisation Plans for Eltham, Manaia, Ōpunakē, Pātea and Waverley were adopted by the Council in October 2019 so implementation of the plans and associated costs can be considered as part of the 2021-31 Long Term Plan. Initial designs were completed on the replacement of the Manaia Town Hall, however the scope of this project changed when the Manaia Sports Complex was identified as earthquake prone and closed. Further community consultation was undertaken during the year and new plans will be presented in 2020/2021. Plans will be finalised once the community engagement process has finished.

Notable three waters infrastructure projects undertaken during the year included completion of the stormwater infrastructure upgrade at Wilson Road, Fox Street and Dieffenbach Street, Ōpunakē. The new Waiinu wastewater treatment plant (\$1,465,000) arrived on site in September 2019 and was fully completed and operational by February 2020. Construction of the Waverley Water Treatment Plant (\$2,100,000) was completed and the plant commissioned in June 2020. The Eltham Water Treatment Plant trunk main replacement programme was started and will be finished in 2020/2021. The Eltham Water Supply experienced issues with taste and odour over the summer period in 2020. Due to the severity of the issue water filter jugs were offered to all residences on the Eltham water supply which were much appreciated by the community.

Over the last 12 months the newly formed Environment and Sustainability team completed baseline audits and analyses of our organisational carbon emissions for the 2017/2018 and 2018/2019 financial years. These audits showed that to reduce our emissions, the Council will need to transition our highest emitting facilities to renewable energy sources and offset what we cannot reduce via native reforestation on Council-owned land throughout the District. An Environment and Sustainability Strategy is currently in development, which will build a range of complex, inter-linked environmental sustainability work programmes into the 2021-2031 Long Term Plan.

Other notable achievements during the year included:

- Pātea's Hunter Shaw building was re-opened in September 2019 after \$650,000 worth of earthquake strengthening work and some internal refurbishments.
- In July 2019 the District's Dog Control Bylaw and Policy was reviewed. The amended Bylaw now allows dog owners to walk their dogs through the town centres on short leads with some exceptions.
- The 2019 District Industrial/Business Park Feasibility Study

identified the Waihi Road mixed use area in Hāwera as the most suitable place for development. Structure planning is now underway to examine the infrastructure requirements.

- According to our annual independent survey, satisfaction with Council services is high. 93% of residents happy with the overall service the Council provides and 85% felt the Council was moving in the right direction.

The Council finished the year with a \$2,000 operational deficit (before accounting adjustments - unrealised losses which have no impact on rates). After taking these unrealised losses into account the Council finished the year with a deficit of \$3,943,000. Total revenue was \$7.2 million less than budgeted. This included (\$4.4 million) reduced income from the Long-Term Investment Fund (LTIF) primarily because of Covid-19. The impact of the reduced income is not significant when considered within the long-term context of the LTIF, which has performed well over the last 10 years and has a healthy inflation fluctuation reserve.

We cannot overemphasise the effect COVID-19 had and will continue to have for some time on our community. The road ahead will not be easy, however, with a strong balance sheet, stable leadership and clear direction and work programmes, the Council is well placed to support the long-term economic recovery and welfare of our residents.



**PHIL NIXON**  
Mayor



**WAID CROCKETT**  
Chief Executive

# YOUR COUNCILLORS

Ō KOUTOU KAİKAUNIHĒRA

## MISSION

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

## VISION

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



**MAYOR PHIL NIXON**  
South Taranaki District



**ANDY BECCARD**



**MARK BELLRINGER**



**GARY BROWN**



**CELINE FILBEE**



**AARUN LANGTON**



**STEFFY MACKAY**



**ROBERT NORTHCOTT**



**JACK RANGIWAHIA**



**DIANA REID**



**BRYAN ROACH**



**BRIAN ROOK**



**CHRIS YOUNG**



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

The Council's purpose is to enable democratic local decision-making and action by and on behalf of communities; and to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost effective for households and businesses.

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

- Democracy and Leadership
- Water Supply
- Stormwater
- Wastewater
- Solid Waste
- Roading and Footpaths (includes road safety and pathways)
- Community Facilities (parks and reserves, public spaces, halls, swimming pools, public toilets, holiday parks, cemeteries, pensioner housing, TSB Hub, Hāwera Cinema and corporate property)
- Arts and Culture (arts, heritage, libraries)
- District Economy (economic development, tourism and events)
- Community Development
- Environmental Sustainability (planning and environmental policy)
- Regulatory Services (building control, environmental health, licensing – alcohol and gambling, noise control, animal management, regulation monitoring and civil defence and emergency)
- Coastal Structures

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

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



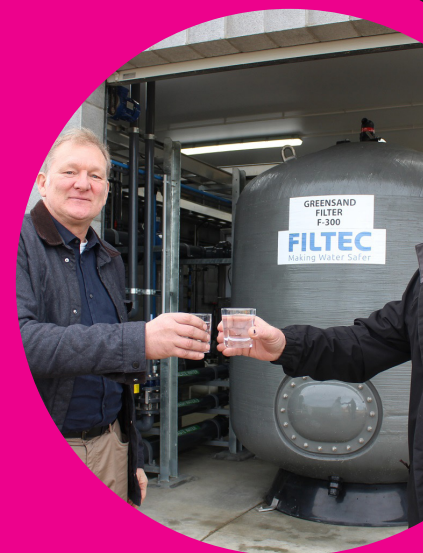
THE COVID-19 GLOBAL PANDEMIC IMPACTED ON OUR COUNCIL; HOWEVER, THE FINANCIAL IMPACT WAS NOT SIGNIFICANT. THE IMPACTS ARE WELL CAPTURED IN THE COUNCIL'S SERVICE PERFORMANCE AND FINANCIAL PERFORMANCE REPORTING. THE MAIN IMPACTS RELATED TO A REDUCTION IN THE ABILITY TO USE FACILITIES, COMPLETE INSPECTIONS (SUCH AS BUILDING AND ENVIRONMENTAL HEALTH INSPECTIONS) AND SOME PROJECTS BEING DELAYED AND CARRIED OVER TO THE NEXT FINANCIAL YEAR.

THE COUNCIL'S VISION IS TO MAKE SOUTH TARANAKI THE MOST LIVEABLE DISTRICT IN NEW ZEALAND WITH AN ATTRACTIVE AND AFFORDABLE LIFESTYLE, CONNECTED PEOPLE IN SUSTAINABLE AND VIBRANT COMMUNITIES. IN OUR 2018 – 2028 LONG TERM PLAN COUNCIL IDENTIFIED A NUMBER OF KEY PROJECTS AND PRIORITIES THAT WE WANTED TO IMPLEMENT TO SUPPORT THE ACHIEVEMENT OF OUR VISION. IN THIS SECTION WE REPORT ON THE PROGRESS OF THOSE KEY PRIORITIES.



Project/Priority	Progress
Complete the District Pathways Programme outlined in our last Long Term Plan (2015) and put an additional (\$500,000) aside for further development.	Work to develop a pathway along the Normanby to Hāwera rail corridor proved difficult, due to Kiwirail requirements. An alternative proposal which doesn't cross the railway line is now being considered. Work has been continuing on obtaining permission to install pathways in Soldiers Park, Eltham, a stage of the Pātea Loop track and a mountain bike loop track near Hāwera. In Ōpunakē, the footbridge across Ōtahi Stream below Te Namu Pā was completed ahead of schedule in March. This project is part of the Ōpunakē Loop Track, it had been in the works for some time and it was exciting to see it come to fruition.
Support the Rotokare Scenic Reserve Trust (\$60,000).	The Rotokare Scenic Reserve Trust as part of our Long-Term Plan was granted funds to help with further developing a sustainable asset with indigenous ecosystems.
Purchase four mobile, fully contained ablution pods to be sited at Freedom Camping and Visitor Spots in South Taranaki.	An ablution pod was installed at Waihi Beach, Hāwera in October 2019 at a cost of just over \$73,000. A second ablution pod is planned to be installed near the Cape Egmont Boat Club on Bayly Road in early 2020/2021. We are investigating the possibility of installing an ablution pod in Ōpunakē. The Pods were part funded from a government grant from the Tourism Infrastructure Fund.

# THE IN RE





# YEAR VIEW



Project/Priority	Progress
Continue to work on the Hāwera Town Centre Strategy.	We purchased the building at 26 Union Street, Hāwera. The future plan is to demolish the building and re-develop the area, which will include pedestrian access to link the Napier Street carpark to Union street and the Countdown precinct. We purchased a residential property on the corner of Victoria and Little Regent Streets. The house has been demolished and plans include the extension of the Little Regent Street carpark area and signage that will direct people to the availability of free carparking. The Hāwera Town Square was refurbished which included re-roofing of the covered walkways and repainting of the supporting structures. The road and parking area along Nelson Street (between Victoria to Union Streets) Hāwera, was completed in December 2019.
Design and build Te Ramanui o Ruapūtahanga (Centre for Heritage, Arts, Library, Culture and Information).	In December we applied for resource consent to develop the new multi-purpose civic centre and associated civic plaza on the corner of High Street and Regent Street, Hāwera (Te Ramanui o Ruapūtahanga). Two submissions were made to the Consent application, which were considered by an Independent Commissioner at a hearing held on 30 June. The Commissioner later approved the resource consent and planning for development has begun.
Develop Town Centre Strategies for Eltham, Manaia, Ōpunakē, Pātea and Waverley over the next five years (\$100,000).	The five town centre masterplans, which provide a basis for future development and enhancement of these towns, were adopted by the Council in October 2019 so that the implementation of the plans and associated costs can be considered as part of the 2021-31 LTP.
Earthquake strengthen the Hunter Shaw Building in Pātea.	Pātea's Hunter Shaw building was re-opened in September 2019 after \$650,000 worth of earthquake strengthening work and some internal refurbishments were completed.
Upgrade the Pātea Pool with tiered seating and sunshade.	Designs were completed and consents obtained in 2019/2020. The physical works are scheduled to start in September 2020.
Design a new community facility to replace the Manaia Town Hall.	Initial designs were completed on the replacement of the Manaia Town Hall, however the scope changed when the Manaia Sports Complex was identified as earthquake prone and closed. Further community consultation was undertaken in 2019/2020 and will be concluded in 2020/2021.



Project/Priority	Progress
Continue to upgrade the Manaia Pool.	There were no plans developed in 2019/20, however targeted community engagement has been undertaken and building consent has been approved. Contractors to be sought and physical work is expected to be completed in 2020/2021.
Review the Earthquake-prone Buildings Assistance Package after hearing from owners of potential earthquake-prone buildings during a public consultation process.	A review of the Earthquake-prone Buildings Assistance Package has been initiated and expected to be completed in 2021.



Project/Priority	Progress
Implement Council's Waste Management and Minimisation Plan.	<p>The total waste diversion from landfill, inclusive of recycling and green waste has dropped from 33.13% in the previous year to 25.14% for the past year. This is largely due to additional waste being delivered to the Hāwera transfer station, from commercial contractors that previously disposed of waste directly to Colson Road landfill, reducing the diversion figure (commercial waste was not previously captured in STDC figures).</p> <p>During COVID-19 Alert Level 4 recycling facilities (including green waste) were closed and we could not process recycling and had to stop collecting it. This further decreased the diversion figure.</p>
Transport solid waste to Bonny Glen Landfill.	The Council started transporting solid waste to Bonny Glen Landfill in August 2019 and continues to do so.
Install new automated remote water reading equipment for rural water connections to allow better management of water consumption and to minimise waste.	<p>Automated remote water reading equipment for rural water connections has largely been installed for Inaha, Waimate West and Ōpunakē water schemes. We are planning to continue deploying the technology throughout our remaining water networks.</p> <p>Leak detection has been completed on the Pātea, Manaia, Kaponga and Rāhotu water supplies.</p> <p>The Council engaged a contractor to detect leakage. In total, they found 15 leaks on Council's networks and 24 leaks on private properties. Our maintenance contractor, Veolia, was advised of the leaks on our networks and fixed them. We have begun smoke testing in the central and northern parts of Hāwera and are in the process of repairing faults identified during smoke testing in Waverley, Ōpunakē, Waiinu, Pātea and outer suburbs of Hāwera.</p> <p>Smoke testing our wastewater networks has been carried out, to identify where there are faults and illegal connections which are causing rainwater to enter the wastewater network.</p>

# THE IN RE



# YEAR VIEW



Project/Priority	Progress
Capital Works spending of just over \$1 million on District Water Infrastructure improvements, \$480,000 on Stormwater and \$1.3 million on Wastewater improvements.	The Ōpunakē Stormwater infrastructure upgrade was undertaken at three different sites including Wilson Road, Fox Street and Dieffenbach Street. Work on all of these sites are complete. The design for the Waimate West Water infrastructure has been completed and work will start in the 2020/21 financial year.
Continue with carry-over projects including the Waiinu Beach Wastewater Treatment Plan, the Waverley Water Treatment Plant and pipe replacements for the Eltham Water Treatment Plant.	The new wastewater treatment plant for Waiinu (\$1,465,000) arrived on site on 23 September 2019 and was fully completed and operational in February. The Waverley Water Treatment Plant (\$2,100,000) construction has been completed and the plant was recently commissioned. The Eltham Water Treatment Plant trunk main replacement has started and will be completed in the 2020/21 financial year.



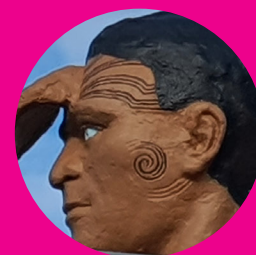
Project/Priority	Progress
Development of a Digital Strategy with the goal of supporting initiatives that improve broadband accessibility and cellphone coverage.	The first of six new cellphone towers installed by the Rural Connectivity Group (RCG) went live above Waitōtara village in March 2020 and this has been followed by one at Manutahi with four more to be installed at Te Kiri, Pungarehu, Waverley Beach and Waiinu Beach. The Digital Transformation Strategy is being developed in 2020/21 and will be implemented in the 2021-2031 Long Term Plan, with budgets allocated between years one to five.
Spend approximately \$24 million (operational and capital expenditure) on our District's Road Network, including \$655,000 on footpaths.	The Council undertakes to seal approximately 6% of its sealed network every year. This year we undertook 76km of reseals for a budgeted cost of \$2.2m. The footpath and kerb and channel renewal work consisted of the replacement of 1,500 metres of footpath and kerb and channel. The estimated value of the work was \$570,000. Streets included in the contract works were Cornwall, London and York Streets in Eltham, Dives Avenue, Glover Road, Pacey Avenue, South Road and Waihi Road in Hāwera, Tuke Street and Waihi Road in Normanby and Hickey Place and King Street in Ōpunakē. Work on this in commenced May and work should be completed by the end of August.
Undertake a feasibility study to investigate the need for a location of a District Industrial/Business Park.	The 2019 feasibility study identified the Waihi Road mixed use area as the most suitable place for development. Structure planning is now underway to examine the infrastructure requirements.

# THE YEAR IN REVIEW

Project/Priority	Progress
Continue with land acquisition in order to complete the tender process and appointment of a contract or contractor for the Nukumarū Station Road extension.	Negotiations for land acquisition for the Nukumarū Station Road extension have continued and to date \$1,651,730.45 has been spent on the project.
Continue to update our Pensioner Housing stock (\$220,000 approx).	One interior upgrade was completed at Camellia Court, Hāwera and constructed off-street carparking, associated footpaths and security lighting at Tauhuri, Manaia. Total cost \$45,000. Scheduled re-roof at Norfolk, Pātea has been deferred to August 2020/21 due to lockdown.



Project/Priority	Progress
Have an average rate increase limit of 3.65%.	The average rate increase for the year was 3.02%
Use debt to fund key infrastructural projects.	The Council's total borrowing increased from \$133.99 million (2019) to \$128.18 million. This included \$15.99 million of internal borrowing (\$14.91 million in 2019).
Maintain or improve our credit rating.	S&P Global have reviewed our credit rating and re-affirmed as 'AA-/A-1+ with positive outlook.' A positive outlook reflects a one-in-three chance that S&P could raise the long-term ratings within the next two years.
Subsidise rates on average by \$6.5 million pa using earnings from the Long Term Investment Fund.	During the year the Council withdrew \$5.8 million from the LTIF to provide \$3.87 million to subsidise general rates and a further \$1.97 million to service interest and loan repayments for specific community projects. The full amount of the subsidy was not drawn due to timing of the projects.
Fund key projects (e.g. Hāwera Town Centre upgrade) by taking out a loan which is paid back over a number of years using annual drawdowns from Council's Long Term Investment Fund.	See above.



# OTHER HIGHLIGHTS AND PERFORMANCE MEASURES

## DEMOCRACY AND LEADERSHIP

### Performance Measures

Measure	Target	Achieved	Not Achieved
% of residents who agree decisions made by Council represent the best interests of the District.	≥70%	The Annual Resident's Survey showed that 72% of residents thought that decisions made by the Council represent the best interests of the District.	
% of residents who are satisfied/neutral with their opportunity to participate in Council decision-making processes.	≥80%	The Annual Resident's Survey showed that 82% of residents were satisfied with their opportunities to participate in Council decision-making processes.	
% of residents who feel that the Council is moving in the right direction.	≥80%	The Annual Resident's Survey showed that 85% of residents feel that the Council is moving in the right direction.	

In September 2019 the Council's IT operating systems were upgraded to Windows 10. This change of technology will not only position our Council for the new digital age, but also save a considerable amount of money (Savings include \$50,000 per year for licences, an anticipated \$90,000 in infrastructure replacements and an annual saving of around \$20,000 in network management to connect our remote sites.)



In July 2019 the Dog Control Bylaw and Policy was reviewed. In August the amended Bylaw was adopted, and dog owners are now allowed to walk their dogs through the town centres on short leads with some exceptions. This also included amendments to allow dog owners to walk their dogs on leads for the entire length of the Denby Road walkway (excluding the Waihi Reserve).



## WATER SUPPLY SERVICES

### Performance Measures

Measure	Target	Achieved	Not Achieved
Number of complaints received (per 1,000 connections) about taste.	≤3	1.59 complaints per 1,000 were received for the year.	
Number of complaints received (per 1,000 connections) about pressure.	≤3		4.11 complaints per 1,000 were received for the year.
Number of complaints received (per 1,000 connections) about continuity of supply.	≤10	5.98 complaints per 1,000 were received for the year.	
Number of complaints received (per 1,000 connections) about odour.	≤3	1.22 complaints per 1,000 were received for the year.	
Total number of complaints received (per 1,000 connections) for DIA performance measures 4a – 4e.	≤24	In total 17.69 complaints (per 1,000 connections) were received relating to Measures 4a-4e.	
Compliance with current Drinking Water Standards (for bacteria).	10/10 supplies	All plants and reticulated networks complied with Drinking Water Standards for bacteria.	
Extent of compliance with NZ Drinking Water Standards (for protozoa).	10/10		For the year only 8 out of 10 supplies attained compliance. Two supplies (Waverley Beach and Waiinu) do not have the Protozoa removal as yet. DWA Annual Audit confirms.
% of consumers satisfied with the water supply overall.	≥80%	83% of those surveyed were satisfied.	

## STORMWATER

### Performance Measures

Measure	Target	Achieved	Not Achieved
Number of reported flooding incidents of habitable properties.	<10	No flooding events of habitable properties were received.	
Number of abatement notices received by Council for stormwater discharges.	0	No abatement notices were received.	
% of consumers satisfied with the stormwater system.	≥80%	83% of those surveyed were satisfied.	

## WASTE WATER

### Performance Measures

Measure	Target	Achieved	Not Achieved
Number of customer complaints per year relating to odours from wastewater pump stations or treatment facilities (per 1,000 connections).	≤1	0.63 complaints were received.	

Measure	Target	Achieved	Not Achieved
Number of customer complaints per year about sewerage system faults (per 1,000 connections).	≤25	7.73 complaints were received.	
Total number of complaints received (per 1,000 connections). DIA Performance Measures 4a-4d.	≤40	16.73 complaints were received.	
Number of sewerage overflows into occupied buildings due to faults in the public wastewater system.	0	Achieved.	
% of customers satisfied with the wastewater services overall.	≥80%	86% of consumers surveyed were satisfied.	

Work to reduce stormwater inflow and groundwater infiltration into the wastewater network continued throughout the year, with areas in Hāwera, Normanby, Eltham, Waverley, Ōpunakē, Waiinu Beach and Pātea having some or all catchment areas tested. Council then worked with our maintenance contractor, and private property owners to address these issues. This helps to reduce wastewater flows, meaning we save money on pumping and can more effectively treat wastewater before it is discharged to the environment.

## SOLID WASTE

### Performance Measures

Measure	Target	Achieved	Not Achieved
Number of customers satisfied with the solid waste collection service.	≥90%	94% of those surveyed were satisfied.	
Number of complaints received for missed street collection that are not resolved (average per month).	2	An average of 0.9 complaints per month were received for a missed collection that was not resolved within 48 hours.	
% of council controlled waste diverted from the landfill each year.	30%		The total waste diverted from landfill, inclusive of recycling and green waste was 26.39% for the year.**

\*\*This includes some estimated residual waste figures from recycling. Since the closure of the Colson Road landfill in New Plymouth, additional volumes of general waste have been taken by contractors to the Hāwera transfer station, reducing the diversion figure. This year also includes a period during COVID-19 Alert Level 4 when recycling facilities (including green waste) were closed. During this period, we could not process recycling and stopped collecting it. General waste continued to be collected, further decreasing the diversion figure.

## ROADING AND FOOTPATHS

### Performance Measures

Measure	Target	Achieved	Not Achieved
% of the quality of the Council's sealed local roads to provide smooth and comfortable ride for motorists measured by Smooth Travel Exposure.	92%		91% achieved over all roads. The average roughness for urban roads has dropped to 79% while the rural roads remain stable at 96%. Our focus in the future is to identify and upgrade rough streets in the urban area.

Measure	Target	Achieved	Not Achieved
% of road users satisfied with the condition of Council roads.	≥75%		The Annual Resident's Survey showed that 69% of road users are satisfied with the condition of Council roads.
% of sealed local road network resurfaced annually.	6%		5.89% of the planned reseal programme for the year was completed due to increased costs.
% of footpath with condition rating 1-4.	92%	99% of footpaths made the 1-4 Condition Rating.	
% of urgent customer service requests relating to roads and footpaths responded within 2 working days.	≥95%	100%.	
% of non-urgent customer service requests relating to roads and footpaths responded within 5 working days.	≥90%	91% - 1066 out of 1173 non-urgent customer requests were responded to within 5 days.	

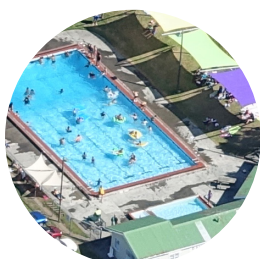
## COMMUNITY FACILITIES

### Performance Measures

Measure	Target	Achieved	Not Achieved
% of customers satisfied with the level of maintenance in Council parks and reserves.	≥90%	The Annual Resident Satisfaction Survey results indicated 97% of residents were satisfied with Parks and Reserves.	
% of residents satisfied with cleanliness and maintenance of Public Toilets.	≥80%	The Annual Resident's Survey showed that 84% of residents were satisfied with the cleanliness and maintenance of Public Toilets.	
% of customers satisfied with the maintenance and cleanliness of Halls.	≥90%	The Annual Resident's Survey showed that 93% of residents were satisfied with the maintenance and cleanliness of Halls.	
(C) % of visitors satisfied with the tidiness and level of maintenance at Cemeteries.	≥95%	The Annual Resident's Survey showed that 97% of residents were satisfied with the level of maintenance at Cemeteries.	
Number of TSB Hub users is 150,000+ per annum.	≥150,000		A total of 129,256 visits were recorded for the year. The facility was closed due to COVID-19 Level 4 lockdown, and subsequent Level 3 and Level 2 restrictions saw reduced visitors to the facility.
Number of users of Hāwera Aquatic Centre is 93,500+ per annum.	≥90,000		The number of users of the Aquatic Centre was 81,056 recorded for the year. The facility was closed for 51 days and restricted for a further 26 days as a result of COVID-19 lockdowns.
Total number of users of rural pools is greater than 30,000.	≥30,000	Total attendance was 37,829.	



Measure	Target	Achieved	Not Achieved
% of customers satisfied with Rural Pools being well maintained.	≥90%	On average, 91% of customers agree that the pools and facilities were well maintained, a 5% increase on the previous year.	
% of pensioner housing tenants satisfied with the standard of their accommodation.	≥ 95%	The Annual Tenant's Survey was completed in March 2020 and 34 of the 63 tenants responded to this question. 33 of those tenants (97%) were satisfied with the condition of their units.	



Rāwhitiroa Pool underwent a complete plant replacement in February resulting in fantastic new circulation and water quality. The cost of the work was just under \$100,000.



The three indoor courts at TSB Hub were closed for a couple of weeks in February in order to have the floors sanded and re-surfaced. It is a maintenance item that we have undertaken every 3-5 years to keep the surfaces in good condition. The work is done by specialist sports floor contractors at a cost of just under \$27,000.



During July and August 2019, maintenance was undertaken at the Ōpunakē Beach Holiday Park which included exterior painting, interior painting, resealing driveways, an upgrade of the electrical switchboards and caravan power supplies and the concrete floors throughout the block were ground back and resurfaced.



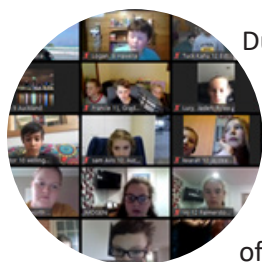
Work was completed on improving parking in December 2019 at the pensioner housing units at Camellia Court in Hāwera and at Tauhuri in Manaia, where five of the six tenants have vehicles. On the Manaia site, an old garage was removed, the rear fence moved back, and the existing driveway widened to create parking spaces. Existing footpaths were extended to reach the carpark and wheel barriers and security lighting installed for safety. The site is now much tidier, and tenants are very happy with the results.

The Tenant Support Service provided to our older people's housing tenants was extended during COVID-19 to assist tenants who were unable to access their usual support networks. Groceries and medical supplies were delivered, and assistance provided to access health services.

## ARTS AND CULTURE

### Performance Measures

Measure	Target	Achieved	Not Achieved
% of customers satisfied with LibraryPlus facilities and customer service.	≥95%	The Annual Resident's Survey showed that 98% of residents were satisfied with the facilities and customer service of LibraryPlus Centres.	
% of customers satisfied with their visit to Aotea Utanganui -Museum of South Taranaki.	≥95%	The overall satisfaction rate of customer visits is 99%.	



During Lockdown the LibraryPlus came up with a range of innovative ways of keeping our community engaged. In April they hosted their first Zoom book club for 5-8-year olds and had as a special guest award winning author Kyle Mewburn. They also reinvented their children's book clubs from meeting in physical spaces to meeting in the online environment. Virtual programming for adult events was set up during Level 3 and these attracted attendees from as far away as Brisbane, Australia, as members were finding they were able to connect beyond the limitations of the four walls of the building.



Libraries were also involved with the SPARK Jump programme which became very popular across the District during Lockdown, enabling people to remain connected. Spark Jump is a low-cost, pre-pay internet service for families with children under the age of 18. The service is subsidised by the Spark Foundation and offered through local partners in Spark Jump coverage areas.

## DISTRICT ECONOMY

### Performance Measures

Measure	Target	Achieved	Not Achieved
Number of client interactions with the Business Advisory Service.	≥475	A total of 818 client interactions were made for the year.	
Dollar value of Capability Development vouchers distributed in South Taranaki.	≥ \$75,000	The dollar value of the Capability Development Vouchers distributed in South Taranaki for the year was \$86,089.	
Number of South Taranaki promotions per annum.	≥10		Only 4 promotions were undertaken for the year.
Number of events provided or supported by Council per annum.	≥10	Twenty three events were provided or supported during the year, including 5 Lockdown Local concerts held online during Alert Level 4 COVID-19 lockdown.	



Elektra' was a new lighting event created to replace the previous Fireworks Spectacular. Elektra saw King Edward Park light up with many amazing lighting effects. These included the launch of 1000 lanterns on the boating lake and students working with businesses to create their own lighting features. Entertainment group Highly Flammable enthralled the crowds with a Circus Play Zone for the kids, LED glowing butterflies walked through the park and then the daring Circus of Flames and Ignite the Light fire shows completed the evening's entertainment. It was a great family event where people brought picnics or purchased from food carts which helped to make an enjoyable evening.

## COMMUNITY DEVELOPMENT

### Performance Measures

Measure	Target	Achieved	Not Achieved
% of the cost of community led projects (supported by Council) funded from external sources.	≥50%	During the year Paepae in the Park was supported with 50% of their funding coming from sources other than Council.	
% of the total cost of Council led projects (completed in partnership with the community) funded from external sources.	≥33.3%	86% of the total cost of Council-led projects have been funded from external sources;	



After several years of planning and design, a mural was completed on the rail bridge at the southern entrance to Hāwera. Dan Mills, Artist from Whanganui, worked with Council and received advice and guidance for much of the Māori design from local Ngāti Hāmua and Ngāti Hāpōtiki hapū representatives. The red waharoa is indicative of a pā entranceway or gateway, and the kawakawa is of course abundant in South Taranaki. The green triangle under the peak of the waharoa represents the Maunga and its significance to our Region and our history. A large feature on the left abutment of the bridge going north, is the 28th Māori Battalion motif - an acknowledgement to the Māori soldiers, particularly the brave South Taranaki men who served in D Company. The mural was completed in February.



In July this year we continued to improve the Beech Place Dog Reserve by adding two new seats, paving and shade trees, funds for a drinking fountain were agreed upon by Te Hāwera Community Board in March with installation being completed in June.



The Sound Mirrors donated to South Taranaki by Global Stainless Artworks were installed in King Edward Park in late June. The installation costs were covered by funding from the Te Hāwera Community Board plus generous donations from the Rodie and Lysaght Watt Trusts, Pelorus Trust and Bizlink Hāwera. The pair of dishes stand parallel to each other across the Kind Edward Park lake and work by reflecting and focusing sound so conversation can be heard at each dish even though it originates from 50 metres away.

## ENVIRONMENTAL SUSTAINABILITY

### Performance Measures

Measure	Target	Achieved	Not Achieved
% of resource consent applications are processed within statutory timeframes.	100%		98% 143 out of 146 applications received for the year all were processed within the statutory timeframes.

## REGULATORY SERVICES

### Performance Measures

Measure	Target	Achieved	Not Achieved
% of (liquor) licensed premises that the Council has contact with or are inspected.	100%	100% For the year, all 89 licensed premises were inspected.	
% of new and renewed (food) premises applications processed within 10 working days.	≥95%	100% For the year, all 183 premises applications were processed within 10 working days.	
% of noise complaints are responded to within one hour.	≥90%	For the year 646 (91%) of the 707 noise complaints received were responded to within 1 hour.	
% of building consent applications processed within the statutory timeframe of 20 working days.	100%		90% - 616 building consents have been processed for the year to date with 552 processed in the statutory timeframe.
% of building inspections carried out within 2 working days of request.	95%	100% - For the year, all 1791 inspections were inspected within the timeframes. Note that inspections stopped on Monday 23 March 2020 when Alert Level 3 was enforced due to COVID-19 and resumed on Tuesday 28 April 2020 when the Alert Level was reduced to Level 3.	
% of reported serious dog* or wandering stock incidents responded to within 4 hours.	≥95%	For the year 334 (95%) of 351 were responded to within 4 hours.	
% of reported general dog** incidents responded to within 1 working day.	≥95%	For the year, 1200 (98%) of the 1227 incidents were responded to within 1 working day.	
% of residents satisfied with the Animal Control service.	≥75%	The Annual Resident's Survey showed that 78% of residents were satisfied with the Animal Control service.	

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

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

District Plan Review – only one appeal on the Proposed District Plan remains unresolved. The hearing for this appeal began in March 2018. We expect to have a decision from the Environment Court before the end of 2020 which will enable the Proposed District Plan 2015 to be made fully operative.

We are continuing towards becoming a fully digital team and by the end of 2020 we will be able to accept and issue building consent applications via an online portal, enabling a simpler and more transparent process of applying for a building consent for our customers.

A total of 1,245 Animal Control related complaints were received which was 109 fewer than the year before. However, there was a slight increase (7) in the total number of dog attacks (56) from the 2018/19 year.

Over the last 12 months the newly formed Environment and Sustainability team have completed baseline audits and analyses of Council carbon emissions for the 2017/18 and 2018/19 financial years. Work was also started on an Environment and Sustainability Strategy which will build a range of complex, inter-linked environmental sustainability work programmes into the 2021-2031 Long Term Plan. This Strategy will focus on increasing our environmental sustainability, reducing organisational emissions, improving the infrastructure for management of waste and adapting to climate change.

# FINANCIAL OVERVIEW

The following pages provide an overview of the Council’s financial performance for the year 1 July 2019 to 30 June 2020.

	Council
Net surplus/(deficit)	(\$3,943,000)
Total assets	\$1,066 million
Total liabilities	\$146 million
Total equity	\$920 million

## Statement of Financial Performance

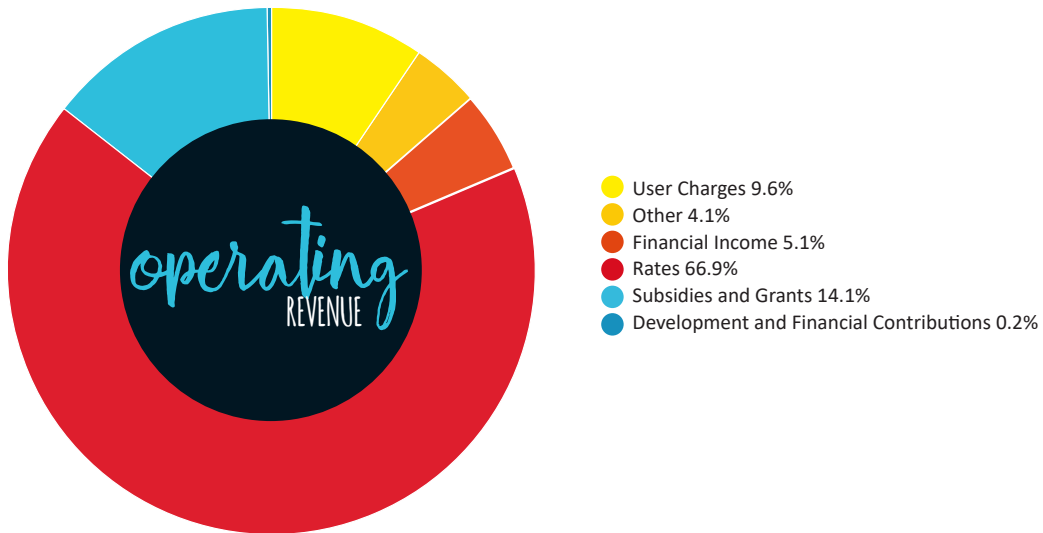
The Council finished the year with a \$2,000 operational deficit before unbudgeted adjustments (loss on derivative contracts \$3,586,000 and disposal of assets \$355,000). After taking these unrealised losses into account the Council finished the year with a deficit of \$3,943,000 against a budgeted surplus of \$6,894,000. The main contributors to the variance (\$11.2 million) are as follows:

### Revenue

The total revenue was \$7.2 million less than budgeted. This included reduced income of \$4.4 million from the Long Term Investment Fund (LTIF) due to weak market conditions mainly because of COVID-19. The subsidies and grants income from the NZTA was under budget due to a delay in completing some roading projects and also a delay in grants from TSB Community Trust for Te Ramanui project (\$4m).

### Expenditure

- An accounting adjustment for the \$0.4 million loss on infrastructure asset disposals (no impact on rates).
- \$3.6 million accounting adjustment for the loss on derivative contract (Swaps).



# STATEMENT OF FINANCIAL POSITION

Net assets as at 30 June 2020

\$ Million	Actual 2019/20	Budget 2019/20	Actual 2018/19
Total assets	1,066	1,060	989
Less total liabilities	146	144	139
Net assets	920	916	850

## Long Term Investment Fund (LTIF)

The value of the LTIF at 30 June 2020 decreased to \$144.65 million (\$147.09 million in 2019) which included internal borrowing of \$15.99 million (\$14.91 million in 2019) after allowing for the withdrawal of the annual rates subsidy. The balance reduced mainly as a result of weak market conditions due to COVID-19.

## Term Debt

The total borrowing of the Council increased to \$133.99 million (\$128.51 million in 2019) which included \$15.99 million of internal borrowing (\$14.91 million in 2019). The borrowing includes \$6m of prefunding for upcoming maturities in May 2021, which is invested in term deposit.

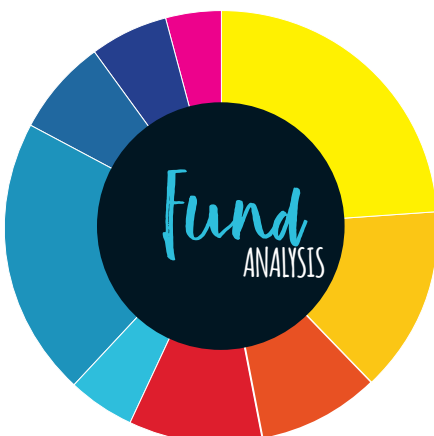
## External Funds

The budgeted return was \$8.40 million (\$0.90 million of interest revenue from internal borrowings) but the LTIF received a net return of \$3.80 million (\$0.83 million of interest revenue from internal borrowings) in the 2019/20 year as a result of weak market conditions due to COVID-19. During the year the Council withdrew \$5.84 million for the annual rates subsidy and received \$1.15 million for internal loan repayments and \$0.83 million for the interest on internal loans.

## Local Government (Financial and Prudence) Regulations 2014

The Council is required to include Financial Prudence Benchmarks in its Annual Report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. The key benchmarks for 2019/20 are summarised below:

Key 2019/20 Benchmarks	Benchmark	Achieved
Rates (Increase) Affordability	<3.65%	Yes - 3.02%
Debt Affordability	Net interest expense as a percentage of total annual income (<15%)	Yes - 47%
Debt Affordability	Net debt per capita is less than \$2,000 per person	Yes - \$1,069.32
Balanced Budget	Revenue equals or is greater than its operating expenses (=>100%)	No - 98.91%
Debt Servicing	Borrowing costs equal or are less than 10% of its revenue (=<10%)	Yes - 8.23%

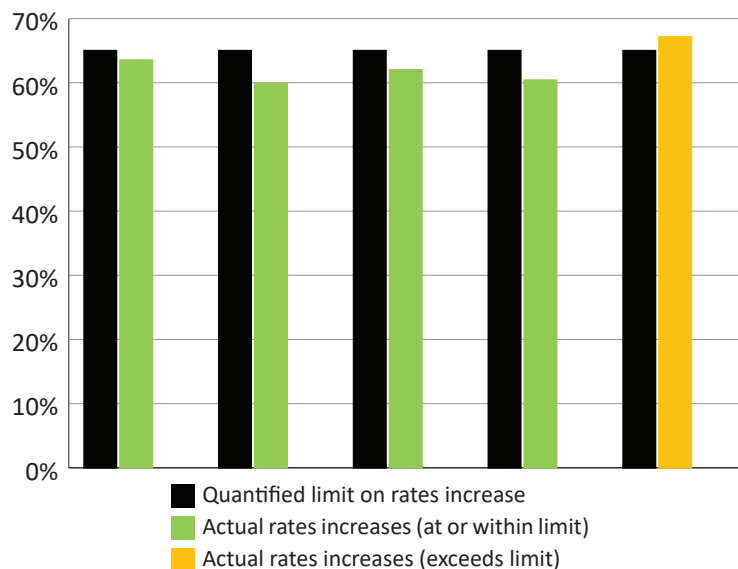


- Global Equities 24%
- Trans-Tasman Equities 14%
- New Zealand Cash 9%
- New Zealand Fixed Interest 10%
- Global Listed Infrastructure 5%
- Foreign Fixed Interest 21%
- Low Volatility 7%
- Hedge Funds 6%
- Property 4%

## Rates (Income) Affordability

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

### RATES (INCOME) AFFORDABILITY BENCHMARK

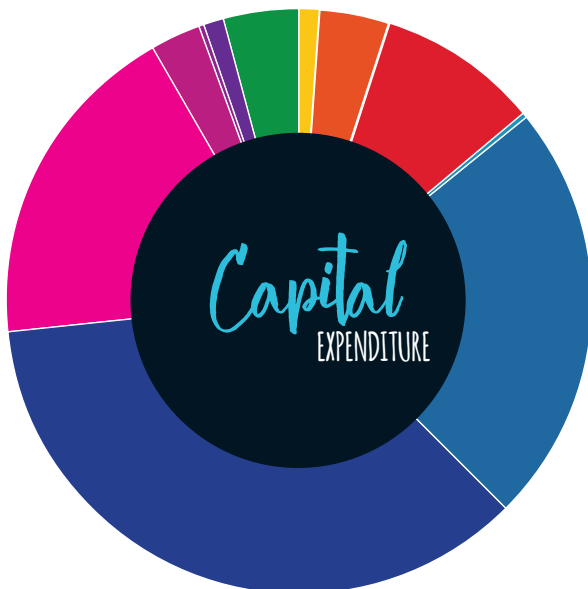


# FINANCIAL PERFORMANCE AND MOVEMENTS IN EQUITY

(\$ millions)	Actual 2019/20	Budget 2019/20	Actual 2018/19
Operating revenue	63.42	70.60	68.32
Operating expenditure	67.37	63.71	71.53
Net operating surplus/(deficit)	(3.94)	6.89	(3.21)
Net Increase/(Decrease) in value of assets	77	49.70	(2.66)
Total Movements in Equity	70	63.02	(3.37)



- Democracy and Leadership 4.4%
- Arts and Culture 5.0%
- Community Facilities 15.7%
- District Economy 2.4%
- Community Development 1.8%
- Regulatory Services 4.2%
- Water Supply Services 17.2%
- Roading and Footpaths 23.3%
- Stormwater 1.5%
- Wastewater 8.2%
- Solid Waste 6.0%
- Coastal Structures 0.5%
- Environmental Sustainability 2.0%
- Reallocated Activity 7.8%



- Democratic Process 0.0%
- Arts & Culture 1.2%
- Community Facilities 4.0%
- District Economy 8.9%
- Community Development 0.0%
- Regulatory Services 0.2%
- Water Supply 23.3%
- Roading and Footpaths 35.8%
- Wastewater 18.3%
- Stormwater 2.9%
- Solid Waste 0.3%
- Coastal Structure 1.0%
- Other 4.1%

## SUMMARY STATEMENT OF FINANCIAL POSITION

	Council Actual 2019/20 \$000	Council Budget 2019/20 \$000	Group Actual 2019/20 \$000	Council Actual 2018/19 \$000	Group Actual 2018/19 \$000
Current assets	127,445	123,535	127,445	125,943	125,943
Non-current assets	938,366	936,668	938,366	862,956	862,956
<b>Total Assets</b>	<b>1,065,811</b>	<b>1,060,203</b>	<b>1,065,811</b>	<b>988,899</b>	<b>988,899</b>
Current liabilities	21,046	31,802	21,046	34,472	34,472
Non-current liabilities	124,825	111,795	124,825	104,042	104,042
<b>Total Liabilities</b>	<b>145,871</b>	<b>143,597</b>	<b>145,871</b>	<b>138,514</b>	<b>138,514</b>
<b>Total Equity/Net Assets</b>	<b>919,940</b>	<b>916,606</b>	<b>919,940</b>	<b>850,384</b>	<b>850,384</b>

## SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

	Council Actual 2019/20 \$000	Council Budget 2019/20 \$000	Group Actual 2019/20 \$000	Council Actual 2018/19 \$000	Group Actual 2018/19 \$000
Total Revenue	63,422	70,602	63,422	68,318	68,318
Total expenses (excluding finance cost)	62,148	57,636	62,148	65,989	65,989
Finance cost	5,217	6,072	5,217	5,537	5,537
<b>Total operating surplus/(deficit) before tax</b>	<b>(3,943)</b>	<b>6,894</b>	<b>(3,943)</b>	<b>(3,208)</b>	<b>(3,208)</b>

### OTHER COMPREHENSIVE REVENUE AND EXPENDITURE

Increase/(decrease) in revaluation reserves	(92)	0	(92)	(160)	(160)
Gain on asset revaluation	73,591	0	73,591	0	0
<b>Total other comprehensive revenue and expenditure</b>	<b>73,499</b>	<b>0</b>	<b>73,499</b>	<b>(160)</b>	<b>(160)</b>
<b>Total comprehensive revenue and expenditure for the year</b>	<b>69,556</b>	<b>63,466</b>	<b>69,556</b>	<b>(3,368)</b>	<b>(3,368)</b>





## SUMMARY STATEMENT OF CHANGES IN EQUITY

	Council Actual 2019/20 \$000	Council Budget 2019/20 \$000	Group Actual 2019/20 \$000	Council Actual 2018/19 \$000	Group Actual 2018/19 \$000
<b>Equity at the beginning of the year</b>	<b>850,384</b>	<b>853,140</b>	<b>850,384</b>	<b>853,752</b>	<b>853,752</b>
Net surplus/(deficit) for the year	(3,943)	6,894	(3,943)	(3,208)	(3,208)
Other comprehensive income/(loss)	73,499	56,572	73,499	(160)	(160)
<b>Total comprehensive income for the year</b>	<b>69,556</b>	<b>63,466</b>	<b>69,556</b>	<b>(3,368)</b>	<b>(3,368)</b>
<b>Equity at the end of the year</b>	<b>919,940</b>	<b>916,606</b>	<b>919,940</b>	<b>850,384</b>	<b>850,384</b>
<b>COMPRISING:</b>					
Accumulated balances	458,545	425,737	458,545	394,779	394,779
Restricted and statutory reserves	2,276	1,617	2,276	2,006	2,006
Investment revaluation reserves	0	196	0	36	36
Separate Operating Reserves	10,357	8,682	10,357	9,023	9,023
Council Created Reserves	145,728	126,867	145,728	147,882	147,882
Capital Replacement Reserves	642	622	642	345	345
Asset revaluation reserves	302,391	352,885	302,391	296,313	296,313
<b>Equity at the end of the year</b>	<b>919,940</b>	<b>916,606</b>	<b>919,940</b>	<b>850,384</b>	<b>850,384</b>

## SUMMARY OF STATEMENT OF CASHFLOWS

	Council Actual 2019/20 \$000	Council Budget 2019/20 \$000	Group Actual 2019/20 \$000	Council Actual 2018/19 \$000	Group Actual 2018/19 \$000
Net cashflows from operating activities	19,226	18,103	19,226	22,829	22,829
Net cash flows from investing activities	(23,325)	(10,971)	(23,325)	(15,919)	(15,919)
Net cash flows from financing activities	4,235	(4,029)	4,235	(3,299)	(3,299)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>136</b>	<b>3,102</b>	<b>136</b>	<b>3,611</b>	<b>3,611</b>

## HOW WE PREPARED THESE STATEMENTS

This summary report has been taken from the South Taranaki District Council 2019/20 Annual Report. The Annual Report, adopted on 30 November 2020, has been prepared in accordance with Tier 1 PBE Standards and contains detailed information about our finances and service provision. Audit New Zealand has audited the full Annual Report and issued an unmodified opinion.

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

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

This summary Annual Report was authorised by the Chief Executive Officer of the South Taranaki District Council on 18 December 2020.

## INDEPENDENT AUDITOR'S REPORT

### To the readers of South Taranaki District Council and group's summary of the annual report for the year ended 30 June 2020

The summary of the annual report was derived from the annual report of the South Taranaki District Council (the District Council) for the year ended 30 June 2020.

The summary of the annual report comprises the following summary statements on pages 13 to 20 and 24 to 25:

- the summary statement of financial position as at 30 June 2020;
- the summaries of the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended 30 June 2020; and
- the summary activity statements.

### OPINION

In our opinion:

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

However, the summary activity statements information includes a limitation in scope to the equivalent extent as the full audited activity statements. This limitation is explained below in *The full annual report and our audit report thereon* section.

### SUMMARY OF THE ANNUAL REPORT

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

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

### THE FULL ANNUAL REPORT AND OUR AUDIT REPORT THEREON

We expressed a qualified opinion on the activity statements and an unmodified opinion on the other audited information in the full annual report for the year ended 30 June 2020 in our auditor's report dated 30 November 2020. The basis for our qualified opinion on the activity statements is explained below.

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-hour 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 2019. 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.

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the disclosures about the impact of Covid-19 on the District Council as set out in the full annual report in notes 8, 21 and 26 to the financial statements and pages 41, 64, 75, 77, 79, 80, 87, 88, 100, 101, 102, 104 and 106 of the activity statements.

#### **COUNCIL'S RESPONSIBILITY FOR THE SUMMARY OF THE ANNUAL REPORT**

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

#### **AUDITOR'S RESPONSIBILITY**

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

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

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



Chris Webby  
Audit New Zealand  
On behalf of the Auditor-General  
Palmerston North, New Zealand  
18 December 2020

**AUDIT NEW ZEALAND**  
Mana Arotake Aotearoa



Te Kaunihera o Taranaki ki Te Tonga  
**South Taranaki**  
District Council