

# WE ARE.



Making our

communities better

South Taranaki District Council

Independent assessment report | November 2020\*

An independent assessment report issued by the Independent Assessment Board for the CouncilMARK™ local government excellence programme. For more information visit [www.councilmark.co.nz](http://www.councilmark.co.nz)



A measure  
for better  
community value.

\* Period of assessment: August 2020

# Assessment Summary

## AT A GLANCE



South Taranaki is located on the West Coast of the North Island. The district extends from the northern half of the South Taranaki Bight, inland around lower Mount Taranaki and south to Nukumarū. It is home to one of the world's most productive pastoral dairy farming regions.



LARGE METRO

SMALL METRO AND LARGE PROVINCIAL

**SMALL PROVINCIAL AND RURAL**



REGIONAL

## The current situation

South Taranaki is steeped in history from early settlements of Māori at Puniho Pā and Nukumarū. European settlement subsequently produced one of the most productive dairy regions in the world, accompanied by the development of many local co-operative dairy factories and their requisite roading, towns and accompanying infrastructure. Today that legacy contributes to Council's vision of 'being the most liveable district in New Zealand'.

- > The development of South Taranaki has resulted in 16 cemeteries, ten independent water supplies, eight waste water systems, seven libraries and multiple sites of stormwater discharge to rivers and the sea.
- > Industry is largely centred on dairy farming and its first stage processing as well as oil and gas extraction, fertiliser manufacturing and light manufacturing. Fonterra's Whareroa plant, 6km south east of Hāwera, is one of the largest dairy processing plants in the world.

- > While the South Taranaki District Council is one of the most indebted small rural and provincial authorities in New Zealand, it has to date prudently managed the debt and investment, and the cost of borrowing and returns from those investments.

### Period of assessment

The assessment visit took place on the 6<sup>th</sup> and 7<sup>th</sup> of August 2020, three years and four months after the first assessment.



**\$2,254m**  
GROSS DOMESTIC  
PRODUCT<sup>1</sup>

SERVES

**27,534**

PEOPLE<sup>2</sup>, A MIX OF<sup>3</sup>  
80.6% EUROPEAN/PĀKEHĀ  
27.6% MĀORI  
2.2% PASIFIKA  
3.4% ASIAN



POPULATION TREND

STABLE - GROWTH

MAKES UP

**1.33 %**

OF NEW ZEALAND'S TOTAL LAND AREA<sup>4</sup>  
REPRESENTING SOUTH TARANAKI  
DISTRICT, FROM WAREA TO WAVERLEY  
AND OHAWA TO MATEMATEĀONGA

**3,575 km<sup>2</sup>**

RESPONSIBLE FOR

**1,631km**

ROADS<sup>5</sup> AND

**188km**

FOOTPATHS<sup>6</sup>



## Key learnings

Council takes a pragmatic approach to ensuring that the district's communities are served well. Infectious enthusiasm for the district is evident across the organisation. Council's engagement with the business community and Māori continues to improve and a compelling vision has now emerged. Other key learnings are:

- > Council has embraced the retention of the integrity of the district's towns. Town master plans have been developed to meet the needs of each town.
- > Council is ably led by an effective Mayor, committed elected members, an experienced Chief Executive and dedicated senior staff.
- > Service delivery is mostly effective and improvements to their quality, especially with respect to discharges to the environment, are being pursued.
- > The Council's response to COVID-19 is commendable and included a rates' freeze, accompanied by voluntary salary cuts by the Mayor and Chief Executive and the weekly payment of local suppliers.
- > Council actively manages its infrastructure spending across the district to meet community expectations.

<sup>1</sup> [South Taranaki District GDP](#)

<sup>2</sup> [South Taranaki District Council Census 2018 Usually Resident Population Count, Stats NZ](#)

<sup>3</sup> Census respondents can select more than one ethnicity, resulting in higher than 100% calculation on ethnicity

<sup>4</sup> [South Taranaki District Land Area](#)

<sup>5</sup> [South Taranaki District Council's Long Term Plan 2018 – 2028, sealed and unsealed roads, p.90](#)

<sup>6</sup> [South Taranaki District Council's Long Term Plan 2018 – 2028, footpaths, p.90](#)

# Assessment Summary

## continued...

### OVERVIEW

Council is ably led and has an effective and strong internal culture embraced by its staff. Most interactions with the community and stakeholders are positive, and the results of community surveys are highly commendable.

### RATING



## Findings

### 1.

**COUNCIL IS GENERALLY RESPONSIVE TO THE NEEDS AND EXPECTATIONS OF THE COMMUNITY. IT HAS NOW FORMALISED THE EARLIER UNOFFICIAL PHILOSOPHY OF 'EIGHT TOWNS, ONE DISTRICT'.**

Maintaining and/or recovering the integrity of the district's towns is expected to be challenging, while striving to become the most liveable district in New Zealand.

### 2.

**MOST OF THE AREAS FOR IMPROVEMENT IDENTIFIED IN THE 2017 ASSESSMENT HAVE BEEN MET, IN PARTICULAR, THERE IS A SIGNIFICANT IMPROVEMENT IN COUNCIL COMMUNICATIONS AND ITS STRATEGIC DOCUMENTS.**

For example, the creation of 'Libraryplus' is innovative and effective.

### 3.

**SOME OF COUNCIL'S OPERATIONAL UNITS CONTINUE TO MAKE PROGRESS, ESPECIALLY THE INFRASTRUCTURE TEAM, BUT OTHERS REQUIRE ADDITIONAL RESOURCES TO MEET STAKEHOLDER NEEDS.**

## Commonly used terms

Term	Definition
Asset Management Plan (AMP)	A tactical plan for managing a council's infrastructure and other assets to deliver an agreed standard of service.
Infrastructure	Local and regional roads, pathways and cycleways, drinking water, wastewater and stormwater assets, sports and recreation facilities (parks, sportsgrounds, green spaces etc), community and tourism facilities (playgrounds, public toilets, libraries, museums, galleries and public art etc), town centres, and other facilities.
Local Government Act 2002	The legislation that provides a framework and powers for councils to decide which activities they undertake and the manner in which they will undertake them.
Long Term Plan	The document required under the Local Government Act that sets out a council's priorities in the medium to long-term.



Governance, leadership and strategy	Financial decision-making and transparency	Service delivery and asset management	Communicating and engaging with the public and business
Better than competent	Competent	Competent	Better than competent

#### STRENGTHS

The district’s vision recognises the individuality of the townships and aspires to retain their integrity.

Rate setting is highly transparent, and rates expenditure/allocation is well-aligned to community expectations.

The alignment between the vision and implementation of capital works to meet community outcomes and identified priorities is clear.

The current approach to communication and engagement focuses on communicating in ‘plain English’ with Council communicating regularly and often across a range of channels.

#### AREAS OF IMPROVEMENT

Council should reconsider adopting a formal self-assessment process amongst elected members to identify whether or not the process of Council decision-making is effective.

Council should consider the appropriateness of its current financial structure (eg debt and investments) and whether that will continue to meet the community’s aspirations.

The processing time for building consents and timeliness of site inspections does not meet current national standards, nor the requirements of local business.

The measurement of the effectiveness of compliance and enforcement is variable.

Engagement with Māori/iwi has improved considerably and may now benefit from monitoring progress on outcomes, obtaining feedback and deepening relationships.

# Leading locally

## Governance, leadership and strategy

Council is ably led by a first term Mayor and a Chief Executive with international experience in local government. Council has retained its strong and well-structured operating culture reflected in mutual respect between elected members and staff. The district's vision has now been advanced into something coherent and the retention of rural town identities is clearly articulated.

### Priority grading

Better than competent

< Council has responded to the community and is setting out to deliver a coherent yet pragmatic Long Term Plan (LTP) that recognises and retains the identities of the towns, while meeting the community's aspirations for effective infrastructure across the district.>

Council has considerable experience from the Mayor through to the elected members, many of whom are long serving. New elected members are also willing to embrace systems and processes and contribute effectively. Council staff are led by a capable Chief Executive with personal values well-aligned to the organisation.

### Setting the direction for the community

The district's vision emerges from a comprehensive programme of engagement with the community for the development of Council's LTP. The 2021-2031 LTP is expected to be adopted by

June 2021. The vision focuses on South Taranaki being the most "liveable" district in New Zealand" and captures the four outcomes currently sought by the community, namely: 'vibrant', 'together', 'prosperous' and 'sustainable'. The process used by Council to gather and analyse community responses is commendable. While discussions on the meaning of 'liveable' were consistent across Council, staff and stakeholders during consultation with the community, its interpretation needs to be more explicit in Council documents to better guide decision-making across the organisation.

Council actively seeks the community's feedback on key strategies and projects, for example, the development of the civic centre in Hāwera (Te Ramanui o Ruapūtahanga), the Manaia Community Centre (hall/sports complex) and town centre master plans. Council seeks to retain the identity of the district townships and to date has developed masterplans in partnership with the respective communities of five towns.

### Creating confident elected members

Elected members are provided with a comprehensive induction programme by senior Council staff at the commencement of each triennium. A calendar of events and induction sessions is provided to all candidates standing for election. The distinction between developing elected members' technical knowledge and building their decision-making capacity is considered to be beneficial for all involved. Elected members also attend an induction session for the Taranaki Region, illustrating the broader provincial considerations required. Elected members are actively encouraged to pursue ongoing professional development. Some development activity was postponed due to COVID-19 restrictions, as governance staff spent time learning how to effectively work together and host Council meetings remotely. Elected members are yet to formally evaluate the effectiveness of their collective decision-making.

Community Board Chairs meet with the Mayor and a senior Council staff representative each quarter and have annual strategy sessions with the Mayor and Deputy Mayor. The Community Board Chairs also have a budget for attending the national biennial Community Board Conference.

### Effective working relationships

Elected members conduct their business via a conventional political structure, which was reviewed and adopted following the 2019 Local Government Elections. There are four Community Boards (a legacy of the establishment councils), five District Wards and several Council committees (Policy and Strategy Committee, Iwi Liaison Committee, Audit and Risk Committee (ARC), Personnel Committee, and Environment and Hearings Committee). The Committees meet on a six weekly basis. From the Mayor to the Chief Executive, and from elected members to Council staff, effective working relationships are maintained. Mutual respect is upheld and good humour is evident.

Council also makes use of two portfolio groups, (Community Services and Infrastructure) and has a the Property Acquisition Subcommittee. The portfolio committees meet quarterly and provide a forum for elected members to discuss policy, develop specialist areas of knowledge and act as an effective sounding board for Council management and staff.

The Chief Executive's performance framework has been simplified, with key deliverables now more closely aligned to Council's vision and district outcomes. The performance framework now includes 360 degree feedback. The Chief Executive maintains an open-door policy with elected members, and regular meetings ("catch-ups") are held with the Mayor. Transparency between the Mayor and Chief Executive is evident.

### Improving risk management

The ARC is independently chaired and consists of the Mayor, Deputy Mayor, three further elected members and a nominated iwi representative. The ARC's Terms of Reference are straight forward and meet best practice. The Risk Management Framework is reviewed annually by the ARC and is aligned to achievement of the vision, to "be the most liveable district in New Zealand".

The Risk and Internal Audit Manager works with each unit manager on a quarterly basis to review the risk register, identify relevant risks and associated mitigation. The process recently resulted in a Payroll Audit Report to which the organisation is now responding. A pragmatic approach to risk management is observed that appears to be fit for purpose; dedicated risk management capability was observed, with outputs for internal consumption seen to be producing effective results.

### Focusing on health and safety

Health and safety is championed by the Chief Executive and the Senior Leadership Team (SLT). The Chief Executive is the SLT representative on the organisation's Health and Safety Committee. Health and safety is now included in every job description and new staff are inducted into Council's health and safety culture. Results from an independent audit have just become available and Council is reviewing what measures could provide better information for elected members and the SLT, with the intention of shifting to more lead indicators in the future.

## Strengths

There is an open and transparent organisational culture founded on trust that has benefitted from the elected member induction process.

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The induction programme embraces both technical aspects of Council activity as well as building an environment of effective collective decision-making.

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The district's vision recognises the individuality of the townships and aspires to retain their integrity.

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Engagement with the community encompasses both planned and informal processes through which trends and sought after outcomes are appropriately identified.

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## Areas for improvement

Ongoing professional development should be embraced by all elected members and community representatives.

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Council should commit to a formal self-assessment of the effectiveness of their collective decision-making.

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Council will need to continue to embed its aspirations for a health and safety culture, and should include Council contractors in this journey.

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Council should develop an explicit understanding of the district's vision and prioritise its achievement across documents and the performance measurement framework.

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Council should understand the community's appetite for risk.

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Council will have to meet the expectations created by the master plans developed for the district's towns.

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# Investing money well

## Financial decision-making and transparency

Council is actively managing a tight fiscal environment and has a good understanding of its finances and integration between the current Financial Strategy and service provision. Council's current financial structure should be revisited.

### Priority grading

Competent

< The pragmatic integration of policies supports informed decision-making between financial planning, service delivery and financial control. Council is a small council with limited resources that is engaging equitably across the region to deliver what its stakeholders want.>

The straightforward delivery of financial performance enables Council's Strategic Finance Policy to be readily embedded in the LTP, and the annual Audit Report to be included in the Annual Report. These inclusions provide immediate integration between financial planning and control, and the costs of service delivery. The investment in water supplies and community infrastructure needs has required prudent financial management and adherence to what Council refers to as its position of 'net debt'. In summary, Council's investments (\$150m) and its income are more or less equal to its debt (\$132m) and costs associated with this debt. However, Council remains highly indebted - the second most indebted rural/small provincial Council in New Zealand. While the cost of debt servicing has been met by returns from investments, those returns are now less stable than they have been in the past. The management of investments and debt to ensure that an intergenerational burden is not created will require continued prudence by Council staff and elected members.

### Planning and evaluating financial goals

Council is in the final year of the three year implementation of its LTP, and is reviewing its Financial Strategy as part of the LTP refresh process.

The current Financial Strategy focuses on financial consolidation, debt repayment, population retention and rates affordability. Importantly, the Strategy refers to Council's vision, outcomes and strategic goals. The key word referred to by Council is being 'liveable' – the meaning of which was debated many times during the assessment. The Financial Strategy is well-aligned to Council's 30 year Infrastructure Strategy covering roads, water supply, wastewater, stormwater and flood protection. The revised Strategy is expected to include reference to the effects of COVID-19 on Council's operations, potentially bringing forward key capital expenditure projects, and spreading the cost of the recently implemented zero per cent rate increase in the 2020/21 Annual Plan.

The community's appetite for financial risk and how that is to be managed and funded still needs to be resolved. Council's current position is covered in its strategic risk framework. The pragmatic approach of including the Strategic Finance Policy in the LTP is noted and supported, however, the risk appetite and constraints could be made more explicit – providing a means against which decision-making can proceed or be constrained.

Council is currently developing a property acquisition and disposal policy to review, and, where appropriate, may dispose surplus property. Council's corporate property activity has substantially increased income through improved management of the property portfolio. Considerable discussion was had over the asset portfolio which has been accumulated over time and remains a work in progress some three decades after the establishment of the South Taranaki District Council. It dates back to the original amalgamation of South Taranaki councils that left the legacy of the individual borough identities that serve the district today, namely, Hāwera District Council, Eltham Borough Council, Patea Borough Council, Waimate West County Council and Egmont County Council. Council is finding they have a broader asset portfolio and is considering alternate land uses, including carbon sequestering through exotic and indigenous plantings on various titles.

## Assessing the financial data

Despite the current economic climate, Council received a credit rating of AA-/A-1+ with a positive outlook from Standard and Poors. Standard and Poors recently updated its analysis of Council following the release of the draft Annual Plan 2020/21 and referred to Council's very high liquidity, fiscal flexibility and New Zealand's generally excellent institutional settings as reasons to retain the current rating and outlook. The relatively large holdings of financial assets in the Long-Term Investment Fund (LTIF) counterbalance Council's high gross debt level. Council is expected to post a larger after-capital-account deficit in the current financial year (2020/21) and the current debt burden is expected to stabilise at a slightly higher level. The global economic down-turn and reduction in interest earnings could provide new challenges.

Council has received unmodified audit opinions over the past three years, and any issues identified during the audits are resolved in a timely manner. One issue currently being addressed is the capitalisation of Council Assets. Council's Finance Team is proactively addressing this with managers during face-to-face budgeting meetings, helping managers to understand the importance of capitalising Council assets and how to do so. These responses are in addition to the internal audit capacity that is being deployed within the organisation.

## Being clear and transparent

The rate-setting process is explained in the Annual Plan (available on the website) and Southlink; Council's weekly newsletter (printed in the free community newspaper or emailed direct). Rates information is readily accessible and understandable through graphs and explanations that set out different types of rates, what they cover, and for whom. Financial information is available online and is presented in a clear and concise manner.

Council has a procurement policy and a procurement manual to ensure 'best value' and transparent processes. The policy has recently been reviewed as a result of COVID-19 including how Council can prioritise local suppliers, where appropriate. Importantly, the 'non-price' attribute of prioritising local suppliers is considered a key aspect of local recovery from the COVID-19 lockdown and includes possibilities, such as local contractors forming a consortium to bid for projects. All Council policies are available online.

Updates about key projects are published on the Council website and supported with regular updates through media releases, Southlink, Antenna (mobile app that sends alerts and notifications and enables feedback on issues) and Facebook.

In response to COVID-19, Council introduced a zero per cent rate increase for the 2020/21 Annual Plan. The speed at which the decision was made to shift to a zero rates rise, and implementation of that change, is a credit to all involved. The action was accompanied by headline pay cuts by the Mayor and Chief Executive and is indicative of their willingness to lead.

Council follows a fair and transparent three-step internal debt recovery process, after which debt escalates to a mortgagee collection or a legal collection process. Outstanding debtors has been trending down from a concerted effort by the Finance Team. That reversed in the last quarter mostly due to the option of payment plans being put in place by debtors and Council, as a result of COVID-19 impacting ratepayers' ability to pay on time.

## Audit and risk

Council follows the ISO 31000 risk management process, with an effective narrative used in the Risk Management Framework. Whether or not COVID-19 will reshape the understanding of the health and safety risks, and impact on organisational continuity, remains moot. There is good alignment between the Risk Management Framework, the LTP and the Annual Plan. The Risk and Internal Audit Manager works with each unit manager on a quarterly basis to review the Risk Register. A pragmatic approach to risk management is observed that appears to be fit for purpose. Dedicated risk management capability was observed, outputs for internal consumption are read and seen as producing effective results.

It would be beneficial for the auditor's annual report to be made separately accessible on Council's website, in addition to it being included in the Annual Report.

## Meeting financial targets

Key staff are provided with a guide to complete their budgets and managers meet with the Finance Team and the Group Manager Corporate Services, in individual sessions to go over budgets to ensure projects are budgeted for correctly and sustainably.

Council's annual budget is based on achieving a 'zero budget' that is always balanced. If for some reason the budget was not balanced, staff would be required to provide an explanation for the adoption of an unbalanced budget and Council would make a decision to approve that.

The Chief Executive has some delegation for capital over-expenditure, however, all over expenditure is reported through the quarterly financial reports and, if significant, a formal report to Council is provided.

## Strengths

Council's Audit and Risk Committee has an independent (external) chair.

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Council's internal audit capability has produced an effective targeted contribution that is creating positive responses.

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Rate setting is highly transparent, and rates expenditure/allocation is well-aligned to community expectations.

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Pragmatism has produced a high integration of financial planning and reporting, more common to the private sector.

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The decision to apply a zero rates rise in the face of COVID-19 and other broader responses, demonstrate Council's responsiveness to its community.

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A decade long investment in water supplies and community infrastructure, and more recent investment in waste discharge, meets foreseeable demand.

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## Areas for improvement

Council should formalise the process of delegations by way of a comprehensive delegations' framework.

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Council should reconsider its indebtedness (the concept of net debt in particular), and the potential consequences of volatile and/or declining returns from investments.

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Council should consider stress testing its annual budgets and long term infrastructural spending in light of impacts from volatility being encountered in global financial markets.

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The community's risk appetite, especially with respect to financial outcomes, should be tested.

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# Delivering what's important

## Service delivery and asset management

Council's service delivery and asset management is competent across the breadth of its physical and social infrastructure network. Strengths in some areas (such as solid waste, three waters infrastructure and community facilities) are offset by the need for improvement in others (such as building control).

### Priority grading

Competent

< Variability of service outcomes reflects the multiplicity of challenges faced by a Council seeking to retain the integrity of each of its seven towns through the equitable distribution of service delivery and assets. This gives rise to asset maintenance and expenditure challenges.>

Council is committed to retaining the integrity of their district's townships in the form of 'complete communities' but may wish to consider how the approach will be sustained in the longer term. Council's earlier ambiguity in 'retain to grow' has been supplanted by 'attract and grow' to which there is increasing evidence across the district, in view of a 2 per cent net annual population growth rate.

### Assessing capability and capacity

Core service levels are aligned to Council's vision, community outcomes and priorities. Upcoming reviews of Asset Management Plans (AMPs) and associated documents should focus on strengthening the 'line of sight' between service and asset expenditure, and desired community outcomes. Current strategies appear to be interlinked with both internal and external

stakeholders. Council has recently signed a Joint Committee Agreement, for example, with neighbouring councils for solid waste disposal. Climate change is considered as a risk and contingency planning is part of the ongoing review of AMPs. An Environmental Sustainability Strategy aligned to reducing Council's carbon footprint and achieving environmental sustainability across the district is being developed.

Council reviewed its organisational structure in 2018/19 to ensure it has the capability and capacity to deliver desired levels of service. The review resulted in creation of a new Environmental Sustainability Team, moving Council's Roading Team back in-house and a merger of the Community and Infrastructure services groups. However, senior staff and stakeholders both identified that resourcing is an ongoing issue. An effective internal 'Building Blocks' training programme is provided for all new staff. Staff engagement surveys are undertaken every two years to assess staff culture and to test how organisational culture could be improved. There may be a case to reinstate more regular staff engagement surveys (pulse checks).

### Assessing service quality

Council's service levels are set by the elected members, initially through the LTP process and then through the Annual Plan, as required. Service levels are based on Council's vision, the community outcomes and community priorities, along with AMPs, the Infrastructure Strategy and other key plans. Performance is monitored using measures ranging from surveys to independent assessments (eg QualMark/IANZ) to customer complaints and the annual Resident Satisfaction Survey. Survey results, along with the identified community priorities and key planning documents, help inform Council decision-making. Performance is then reported in the Annual Report, with a summary published in Southlink.

Council is currently testing the use of non-financial performance measures which is expected to add an important qualitative component to its monitoring and reporting framework. However, opportunities exist to better align performance measures with the vision, community outcomes and priorities.

## Evaluating asset effectiveness

### Infrastructure

The AMPs in place for roading, water supply, wastewater, stormwater, coastal structures and major Council properties are well aligned with Council's technical documents, such as the Infrastructure Strategy, Water Safety Plans, the LTP and Annual Plan. Asset condition is monitored and recorded using AssetFinda software for three waters and coastal structures and RAMM software for roading. Council uses a Customer Relationship Management (CRM) system for customer complaints and requests, and Council imports data from this system as a part of its performance reporting. A project to better link the CRM system to proposed maintenance scheduling is underway, and recent investment in water treatment plants in anticipation of rising drinking water standards has been undertaken.

NZTA roading asset condition and performance guidelines provide the benchmarks for local roading. Coastal assets are assessed by suitable engineering professionals. The condition of assets is regularly assessed and reflected in the AMP's improvement plans which in turn is reflected in the Infrastructure Strategy, particularly with regard to forward planning of renewal and upgrade work. However, Council faces a number of challenges due to its fragmented infrastructure network serving the myriad of smaller settlements across the district (eg the maintenance of ten separate water supply facilities and eight wastewater plants): a challenge for any Council regardless of size.

## Service monitoring and reporting

### Water

Regular performance reports for each service are generated by both automated and manual systems including WaterOutlook software for automated reports and Drinking Water Online for water supply grab samples. Drinking water performance undergoes a quarterly audit by a Drinking Water Assessor. The water team holds informal, quarterly meetings with the district's four iwi to discuss upcoming work. Interested parties are also engaged during resource consenting for wider three waters infrastructure, with iwi views sought and considered at this stage also.

Council has been bold and invested early in infrastructure. For example, \$77 million was set aside from 2005 to improve water quality across the district. Staff reported they have the 'capability to deliver on big capital projects' and that 'price, quality and culture' are the bottom lines for three waters.

### Solid waste

Council has a kerbside collection for urban customers (and some rural customers located on connecting routes) with separate bins for general waste, mixed recycling and glass. There is also a greenwaste collection service that residents have the ability to opt into by paying a fee. Seven transfer stations are located across the district. General waste from transfer stations and kerbside collections is consolidated at the Hāwera transfer station and carted to Bonny Glen landfill at Marton for disposal. Greenwaste is carted to a composting facility and all recycling is carted to the New Plymouth Materials Recovery Facility where it is sorted and processed before it is sold. Residents' satisfaction with the kerbside collection service is high at 94 per cent.

A Waste Assessment and Waste Management and Minimisation Plan has been published and progress towards objectives is being monitored. Demand was modelled on anticipated population growth and initiatives that could result in waste minimisation and diversion from landfill.

## Addressing regulation

### Regulatory services

Regulatory service standards are set through the LTP process, and are increasingly aligned to the vision, community outcomes and the revised District Plan. Performance against the standards is monitored quarterly and reported to Council via the ARC. In response to the 2017 CouncilMARK™ assessment, Council's "regulatory service cluster" is reviewing its service standards so they are more outcome-focussed. In addition, aspects of regulatory service performance are tested in the annual Resident Satisfaction Survey. Council has identified its regulatory service standards are neither aligned regionally or nationally, and in some circumstances fall short of local stakeholder expectations. Council should consider benchmarking its regulatory service standards across comparable councils (in terms of size and nature) to inform ongoing work in this area.

Council does not currently have a Compliance and Enforcement Strategy. It instead has a customer charter which describes how complaints are managed. Council takes the approach of administering regulatory functions in a reasoned and moderate manner, with an emphasis on public education. Education as a first response to non-compliant activities is reflective of the organisational culture, the size of the district, and the close relationship between Council and the community.

Council's Building Control Team is currently under pressure due to resourcing constraints, the need to stay up-to-date with multiple legislative changes to the Building Act and a recent IANZ accreditation assessment. Informal feedback from a small number of external stakeholders indicated that satisfaction with the Council building consent inspection system and processing

times was low. Council is well aware of the need to improve its performance as it discharges its duties under the Building Act, particularly regarding compliance with statutory processing timeframes (only 74 per cent of building consents were processed within statutory timeframes for the year ended 30 June 2019).

Council recently received positive recognition with its Freedom Camping Bylaw receiving a SOLGM award. That demonstrates leadership on what can be a challenging topic for rural councils with long coastlines and consistent tourism numbers.

### Spatial planning

The South Taranaki District Plan is the main mechanism for Council to discharge its planning functions under the Resource Management Act (RMA). The District Plan was reviewed in 2015 and is in the final stages of being made fully operative, with one appeal awaiting resolution.

The Annual Report 2018/19 indicated the Planning Team processed 157 resource consents over that 12-month period and compliance with the conditions of 146 granted consents were monitored. These figures differ from those provided for the same period to the Ministry for the Environment's (MfE's) National Monitoring Survey, indicating an opportunity to review resource consent data collection and reporting processes to ensure accuracy.

Council will need to respond to Ministry for the Environment's (MfE) National Planning Standards, applicable to all councils across the country. Although Council has seven years (from 2019) to adopt the National Planning Standards in its District Plan, it may be advantageous to begin planning for this expenditure in the LTP and thinking ahead to ensure appropriate resourcing is in place. Staff work well with Stratford District Council and New Plymouth District Council on planning matters, including taking learnings from New Plymouth's digital plan process and liaison with MfE.

In late 2019, Council completed town centre master plans to revitalise five of its seven towns. The Planning Team indicated the work was led by the Community Development Team, with input from the planners. Staff also indicated some of its planning policy responsibilities may transfer to the new Environment and Sustainability Team. The devolution of responsibility for planning functions may signal a need for the Planning Team to build capacity and capability to ensure Council's planning vision, service delivery functions and regulatory responsibilities do not become fragmented, resulting in poor outcomes for the community and creating risk within the resource management regulatory environment.

### Accountability reporting

Service delivery levels are reported using financial and non-financial performance measures included in both the LTP and

Annual Report, for each service delivery area. Within the Annual Report, each performance measure is ranked as 'achieved', 'at risk', 'not achieved', or 'not applicable'. It is clearly set out and includes graphs, tables and other graphics to make it easy to read and understand. There is a comprehensive overview of activities and services, including multi-year comparisons. Under-performing activities are identified through 'at risk' or 'not achieved' performance measures. Reasons are given for these classifications, although corrective actions are not readily apparent.

Progress on capital projects is reported through capital projects reports and completion percentages are contained in quarterly financial reporting to the ARC and Council. Completion of projects is also communicated through the Annual Report. Reports are also included in the Chief Executive's newsletter, Southlink and in Council media releases.

The latest Annual Report (2018/19) begins to report against broader financial, social, environmental and economic outcomes by identifying which Council activities (stormwater, regulatory services etc) contribute to each of Council's four community outcomes (vibrant, together, prosperous and sustainable). The alignment is clear and demonstrates exactly how Council is implementing its vision through the structure provided by its community outcomes and identified priorities.

### Establishing a business case for investments

Major capital expenditure investment requires a comprehensive business case which follow standard procedures of staged design and development. AMPs form the basis of most key capital works, identifying future shortfalls in service delivery and end of life assets requiring replacement. Roading investments are overseen by NZTA and meet its requirements, as well as Council processes.

All capital budgets are reviewed by the SLT together with the budget managers and the Finance Team. A capital control group is under development for the upcoming LTP. The capital budget is then signed off by Council during LTP and Annual Plan processes, and variances are highlighted during quarterly financial reporting. Rare, significant overspends are formally reported to Council, even where these have already been reported through the quarterly financial reporting process to Council via the ARC. Council should consider formalising the process through a delegations framework, noting that a draft Delegations Register (October 2019) is in development.

Council has adopted a revised project management and delivery framework. It details the stages through which projects progress, including the upfront, midpoint and later documentation required. Formal project reviews are stage gates in the phases of project delivery. The framework is clear and provides consistent guidance for staff.

## Strengths

The alignment between the vision and implementation through capital works to meet community outcomes and identified priorities is clear.

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The project management and delivery framework is straightforward and gives appropriate guidance to staff.

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Clear leadership on the challenging topic of freedom camping has been demonstrated at a national level.

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Significant recent investment in water supply infrastructure has been completed to standards that meet or exceed those being debated nationally.

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## Areas for improvement

Council would benefit from a Compliance and Enforcement Strategy to enhance transparency and reduce inconsistency in responses.

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The processing time for building consents and the timeliness of site inspections does not meet current national standards nor expectations of some members of the community.

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Council should consider whether development of future town centre master plans should be led by Council's Planning Team.

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Council will need to update its District Plan in accordance with the National Planning Standards in the medium term. The resourcing and expenditure necessary to undertake this task should be planned for now.

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Council should consider reinstating more regular staff engagement surveys (pulse checks).

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Council should consider enhancing its data collection and reporting processes to better align with national reporting standards (eg MfE's National Monitoring Survey).

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# Listening and responding

## Communicating and engaging with the public and businesses

Council has invested considerable time and effort in formalising its communications policies and practices since the 2017 assessment. Key messages are clear and consistently relayed across the organisation. A focus on two-way and face-to-face communication has been well received by the community, as evidenced through the high engagement levels obtained during the recent Community Visioning Project.

### Priority grading

Better than competent

< Council's communications exhibit a desire for genuine and effective engagement and cover a range of channels in an attempt to provide a touchpoint for as many segments of the community as possible.>

Some aspects of engagement, such as that with iwi, could be further developed, however, improvements have been seen through the appointment of an Iwi Liaison Advisor, the establishment of an Iwi Liaison Committee and more informal quarterly Huinga-ā-Iwi meetings. Council has also appointed a Business Development Manager to engage with the business community. The appointment is of particular relevance as the district navigates the economic uncertainty presented by COVID-19.

### Planning effective engagement

The Communication Policy, Strategy and Guidelines and Social Media Policy (both updated in March 2020) provide a clear framework from which staff and elected members can obtain key messages and understand appropriate channel use and engagement approaches. Council is also developing a 'Building

Māori Capacity to Contribute to Decision-Making Policy' and has agreed, in principle, to develop a formal strategy for engagement with local Māori and iwi.

### Engaging digitally

Council has recently updated its Social Media Policy. The policy now covers all Council staff, either through work or private use of social media, in relation to Council communications or communications regarding Council and its employees.

Unabashed by 'new' technology, the Mayor delivered a series of Facebook-live videos to the community during the recent COVID-19 lockdown. Anecdotal feedback indicated that this initiative was very warmly received by the community, who felt supported by the effort, alongside Council's deliberate and open engagement processes. Engagement through a variety of channels, particularly during times of uncertainty, has fostered community spirit and created trust in Council.

### Building good relationships

During recent public engagement undertaken as part of the LTP process, Council utilised 'two-way' communication channels through a community visioning project. It involved use of a large 'cube' that Council mobilised across the district with people encouraged to write their ideas and provide feedback on it. The concept was that Council should go where people were going to be, rather than requiring the community to come to it. Council prioritises face-to-face interactions with residents through its seven LibraryPlus facilities, where Community Development Advisors work closely with a range of community groups, and via the 'open forum' section at all Council and Committee meetings. These activities appear to promote genuine engagement opportunities, of benefit to both Council and the community.

The effectiveness of community engagement and communication is measured in a range of ways. In the most recent resident



satisfaction survey, 86 per cent of respondents were either satisfied or more than satisfied with the amount of consultation undertaken by Council.

## Communicating through the media

Both elected members and staff were observed to have a good understanding of the key strategies and guidelines of Council's Communication Policy. Regular communication updates are published in the weekly staff newsletter and the Communications Manager attends Community and Infrastructure Services Managers fortnightly meetings to update on strategy or matters of significance.

Council's Communications Team works closely with the Mayor, elected members, the Chief Executive and the SLT to ensure that they are well supported when dealing with the media. This includes provision of briefings, key talking points, background and context setting to the media in advance of engagements. Media training and coaching is available from the Communications Team and a 'Communications Toolbox' is available on the Council intranet that covers a range of topics from 'How to Run a Meeting', to 'Writing Effectively', to 'How to Deal with the Media'. The Mayor and Chief Executive meet regularly with local and regional media and are accessible and responsive in line with Council's strategic approach to media relationships.

## Engaging with iwi

Council seeks to build and retain relationships with iwi through its Iwi Liaison Advisor, Iwi Liaison Committee, having Iwi representatives on Council Committees, Marae visits, Kaitiakitanga Reference Group (Hāwera Outfall), Nga Ruahine Relationship Agreement, being party to Reconciliation Agreement (Te Puanga Haeata) with Parihaka, and the introduction of a Te Reo Policy and classes for staff within the organisation. In addition, Council holds quarterly Huinga-ā-Iwi meetings. It also encourages iwi to organise discussions with appropriate officers at Council for items which they have a specific interest. Feedback regarding these meetings was very positive. However, it remains unclear how the effectiveness of engagement with Māori/iwi is measured.

## Engaging with business

To engage effectively with the business community, Council has employed a Business Development Manager to undertake a range of functions. That includes updating Council's business database and examining the benefit of developing a business forum. The Business Development Manager is maintaining regular contact with the district's business organisations and looking at ways to engage more closely with individual businesses. The Business Development Manager is the 'one stop shop' for business enquiries to Council and liaises with other key staff (for example Planning, Building Control, Infrastructure) to assist businesses to navigate their way through Council's regulatory requirements, and to help determine the infrastructure needs of new businesses. The Business Development Manager is presently engaging with all

the district's business associations to build an online digital business directory/hub.

### Strengths

The current approach to communication and engagement focusses on communicating in 'plain English' and communicating regularly and often across a range of channels.

Council has employed both an Iwi Liaison Advisor and Business Development Manager to enhance communication and engagement.

The development of LibraryPlus, and the encouraging use of Council facilities in the towns, is indicative of Council meeting both latent and expressed community needs.

External stakeholders value the focus on two-way communication and note that Council is good at sharing information.

Council is increasingly reporting on both financial and non-financial outputs (ie social, cultural, environmental and economic).

### Areas for improvement

Council could reinforce (explain, not just list) the community outcomes in the Communication's Policy.

Further 'mindset change' is required to enable a more partnership-focused approach to iwi engagement.

Engagement with Māori/iwi has improved in recent years, however, could be further strengthened with some testing of the effectiveness of the engagement with the Iwi Liaison Committee.

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