Te Kaunihera-ā-Rohe o Ngāmotu
New Plymouth District Council

FINANCE, AUDIT AND RISK COMMITTEE MEETING AGENDA

Tuesday 5 August 2025 at 2pm

Council Chamber
Liardet Street, New Plymouth

Chairperson:	Cr	Amanda	Clinton-Gohdes
Members:	Ms	Adrienne	Young-Cooper (Deputy)
	Cr	Tony	Bedford
	Cr	Max	Brough
	Cr	David	Bublitz
	Mr	Paul	Conder
	Cr	Bali	Haque
	Cr	Marie	Pearce
	Mayor	Neil	Holdom

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

COMMITTEE PURPOSE

Purpose of Local Government

The reports contained in this agenda address the requirements of the Local Government Act 2002 in relation to decision making. Unless otherwise stated, the recommended option outlined in each report meets the purpose of local government and:

- Promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Council, or transfer the ownership or control of a strategic asset to or from Council.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

OPENING KARAKIA

Tutawa Mai

Tūtawa mai i runga	I summon from above
Tūtawa mai i raro	I summon from below
Tūtawa mai i roto	I summon from within
Tūtawa mai i waho	I summon from the
Kia tau ai	outside environment
Te mauri tū	to calm and settle
Te mauri ora	the vital inner essence
Ki te katoa	the wellbeing of
Haumi e, hui e, tāiki e!	everyone
	Be joined,
	together united!

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Te Kaunihera-ā-Rohe o Ngāmotu
New Plymouth District Council

Health and Safety Message / Te Whaiora me te Marutau

In the event of an emergency, please follow the instructions of Council staff.

Please exit through the main entrance.

Once you reach the footpath please turn right and walk towards Pukekura Park, congregating outside the Spark building. Please do not block the footpath for other users.

Staff will guide you to an alternative route if necessary.

If there is an earthquake – drop, cover and hold where possible. Please be mindful of the glass overhead.

Please remain where you are until further instruction is given.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

APOLOGIES / NGĀ MATANGARO

Ms Adrienne Young-Cooper

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

CONFLICTS OF INTEREST / NGĀ ARA KŌNATUNATU

People who fill positions of authority must undertake their duties free from real or perceived bias. Elected members must maintain a clear separation between their personal interests and their duties as an elected member. Failure to do so could invalidate a Council decision and leave the elected member open to prosecution and ouster from office.

An elected member is entitled to interact with the Council as a private citizen. However, they cannot use their position as an elected member to gain an advantage not available to the general public.

Elected and appointed members will:

- Declare any interest whether pecuniary or non-pecuniary at a meeting where the interest is relevant to an item on that agenda.
- Exclude themselves from any informal discussions with elected members relating to a matter they have an interest in.
- Seek guidance from the Chief Executive if they are unclear of the extent of any interest.
- Seek guidance or exemption from the Office of the Auditor General if necessary.

INDEPENDENCE

Committee members to confirm their independence and declare any conflicts of interest.

CODE OF CONDUCT / FRAUD FRAMEWORK

Committee members to confirm with Management if there have been any breaches of the Code of Conduct and/or the Fraud or Corruption Policy, and if any protected or other disclosures alleging such breaches have been received. This enquiry is to ensure that such incidents are investigated and reported appropriately.

INTERNAL CONTROL

Note that the committee members will satisfy themselves of the existence and effectiveness of the Council's internal control processes.

Management will ensure that all findings from reviews by internal and external auditors of the Council's processes are reported to the Committee with action plans to remedy identified deficiencies.

Management will confirm that, to the best of its knowledge and noting the exceptions reported in the quarterly legal compliance summary, Council is compliant with legislation relevant to its activities.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

ADDRESSING THE MEETING

Requests for public forum and deputations need to be made at least one day prior to the meeting. The Chairperson has authority to approve or decline public comments and deputations in line with the standing order requirements.

PUBLIC FORUM / ĀTEA Ā-WĀNANGA

Public Forums enable members of the public to bring matters to the attention of the committee which are not contained on the meeting agenda. The matters must relate to the meeting's terms of reference. Speakers can speak for up to 5 minutes, with no more than two speakers on behalf of one organisation.

- None advised

DEPUTATIONS / MANUHIRI

Deputations enable a person, group or organisation to speak to the meeting on matters contained on the agenda. An individual speaker can speak for up to 10 minutes. Where there are multiple speakers for one organisation, a total time limit of 15 minutes, for the entire deputation, applies.

- None advised

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

PREVIOUS COMMITTEE MINUTES / NGĀ MENETI O MUA

Recommendation

That the minutes of the Finance, Audit and Risk Committee 17 June 2025 (ECM 9520432), and the proceedings of the said meeting, as previously circulated, be taken as read and confirmed as a true and correct record.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

REPORTS

ITEMS FOR DECISION BY COMMITTEE

1 Audit New Zealand Audit Plan for the Year Ended 30 June 2025 (2024/25)

2 Risk Management Update July 2025

3 Sensitive Expenditure Report for the Period 1 July 2024 to 30 June 2025

ITEMS FOR RECOMMENDATION BY COMMITTEE

4 Setting of Speed Limits Rule 2024

5 Agreement for Papa Rererangi I Puketapu to Establish a Subsidiary Company to Own the Solar Farm

6 Events Reserve Policy

7 Procurement Strategy Review

ITEMS FOR DECISION BY COMMITTEE

8 Exclusion of the Public for the Remainder of the Meeting

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

AUDIT NEW ZEALAND AUDIT PLAN FOR THE YEAR ENDED 30 JUNE 2025 (2024/25)

PURPOSE / TE WHĀINGA

1. The matter for consideration is the Audit New Zealand Audit Plan for the audit of New Plymouth District Council Annual Report for the year ended 30 June 2025.

RECOMMENDATION FOR CONSIDERATION / NGĀ WHAIKUPU
That, having considered all matters raised in the report, that the Audit Plan for the year ended 30 June 2025, be noted.

SIGNIFICANCE AND ENGAGEMENT / KAUPAPA WHAKAHIRAHIRA

2. This report is provided for information purposes only and has been assessed as having some importance.

BACKGROUND / WHAKAPAPA

3. Audit New Zealand has been appointed by the Auditor General to conduct the annual audit of New Plymouth District Council's financial statements and operations for the three-year period from 1 July 2022 to 30 June 2025.

4. Legislation requires Council to prepare an Annual Report and have it audited within four months of the financial year end. Although the statutory timeframe for the adoption of the Annual Report is 31 October, due to the upcoming Election, the Annual report is scheduled to be adopted earlier on the 30 September 2025.

Audit Plan

5. Audit New Zealand's Audit plan outlines the main areas of audit focus, scope, materiality levels and timing of the upcoming audit. A copy of the document is attached as Appendix 1. The planned timetable covers the Group audit timing for the following entities:

    a) New Plymouth District Council

    b) Papa Rererangi i Puketapu Limited

    c) New Plymouth PIF Guardians Limited

    d) Forestry Join Venture - McKay Family and Duthie Joint Ventures

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

6. Due to the shorter timeline for adoption, the audit has been divided into two visits: pre-final and final. This approach was suggested to ensure the Audit Opinion is issued on the 30 September, in time for Adoption.

7. Venture Taranaki Trust, CCO of Council, is no longer included in Audit New Zealand's Audit Plan as the Auditor-General has appointed Silks Audit Chartered Accountants to perform their audit instead.

Engagement letter and fee proposal

8. In September 2023, the Council signed a three-year agreement with Audit New Zealand to undertake the audit of Council and its subsidiaries for the 2023, 2024 and 2025 financial years on behalf of the Auditor General.

9. The agreement covered the engagement letter and fee proposal. The Engagement letter outlines the terms, nature, limitations and objectives of the audit and details the respective responsibilities of the Council and the Auditor, for the following entities:

    a) New Plymouth District Council

    b) McKay Family Joint Venture

    c) Duthie Joint Venture

10. A copy of the executed engagement is attached as Appendix 2.

11. The proposed fees for the 2024/25 New Plymouth District Council Annual Report audit are $383,404 excluding estimated disbursements and GST. A copy of the fees letter is attached as Appendix 3.

12. Audit New Zealand has separate engagements and proposed fees letters with the other subsidiary entities in the Group - Papa Rererangi i Puketapu Limited and New Plymouth PIF Guardians Limited.

CLIMATE CHANGE IMPACT AND CONSIDERATIONS / HURINGA ĀHUARANGI

13. There are no immediate and direct climate change impacts associated with this report. However, Audit New Zealand as an appointed Auditor and a business unit of the Controller and Auditor-General must meet the Auditor-General guidelines.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

14. The Auditor-General recognises the need to focus on examining how well the public sector achieves positive change for New Zealanders as a strategic priority.

> *"We will focus more on changes that affect people, including their communities, environment, living standards, and society at large…We have work under way to examine New Zealand's preparedness to deliver on the United Nations' sustainable development goals."* (Auditor-General's Strategic intentions to 2025, Part 2, Strategic Shift 1)

THREE WATERS REFORM IMPLICATIONS

15. There is no direct implication of this reform to the 2024/25 Audit Plan issued by Audit New Zealand. However, as per page 8 of the Audit Plan, Audit New Zealand has noted this matter as an area of interest, with audit reviewing the Annual Report disclosures to ensure they accurately reflect the impact of the reforms on our Council.

FINANCIAL AND RESOURCING IMPLICATIONS / NGĀ HĪRAUNGA Ā-PŪTEA, Ā-RAUEMI

16. The proposed audit fees for the 2024/25 Annual Report audit are in line with the Annual Plan budget.

IMPLICATIONS ASSESSMENT / HĪRANGA AROMATAWAI

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002.
Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Council staff have considered how the matter will promote the social, economic, environmental, and cultural well-being of communities in the present and the future.
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

APPENDICES / NGĀ ĀPITIHANGA

Appendix 1 2024/25 Audit New Zealand Audit Plan for NPDC and Group (ECM 9532441)

Appendix 2 2023-2025 Audit New Zealand audit engagement letter (ECM 9042346)

Appendix 3 2023-2025 New Zealand proposed audit fees (ECM 9042350)

Report Details

Prepared By:	Loren Moore (Financial Services Lead)
Reviewed by:	Matthew Thomson (Manager Finance)
Approved By:	Jacqueline Baker (General Manager Corporate Innovation)
Ward/Community:	District Wide
Date:	07 July 2025
File Reference:	ECM 9532445

----------End of Report ----------

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Audit plan

New Plymouth District Council and group

For the year ended 30 June 2025

AUDIT NEW ZEALAND
Mana Arotake Aotearoa



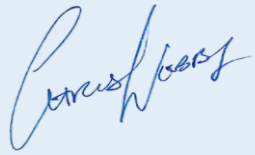
Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Executive summary

I am pleased to present our audit plan for the audit of New Plymouth District Council and group (the District Council) for the year ended 30 June 2025. Our role as your auditor is to give an independent opinion on the financial statements and performance information. Our work improves the performance of, and the public's trust in, the public sector. We also recommend improvements to the internal controls relevant to the audit.

The contents of this plan should provide a good basis for discussion when we meet with you. We will be happy to elaborate further on the matters raised. If there are additional matters that you think we should include, or any matters requiring clarification, please discuss these with me.

Yours sincerely



Chris Webby
Appointed Auditor
3 July 2025



Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Contents

Focus areas: risks and issues..... 3

Group audit..... 14

Our audit process..... 15

Reporting protocols and expectations..... 18

Health and safety..... 19

Audit logistics and next steps 20

Focus areas: risks and issues

Based on the planning work and discussions that we have completed to date, we set out in the table below the main risks and issues relevant to the audit. These will be the main focus areas during the audit.

Many of these risks and issues are relevant to the audit because they affect our ability to form an opinion on your financial statements and statement of service performance. As part of the wider public sector audit, we are also required to be alert to issues of effectiveness and efficiency, waste and a lack of probity or financial prudence.

Additional risks may also emerge during the audit. These risks will be factored into our audit response and our reporting to you.

Risk/issue	Our audit response
Valuation of the Perpetual Investment Fund	
The Perpetual Investment Fund (PIF) had a carrying value of $378.7 million at 30 June 2024 and generated income of $41.4 million for that financial year. This is a significant financial asset for the District Council. Depended on the nature of the investments, the valuation of the various instruments can be complex and require significant judgement where observable market inputs are not readily available. The private equities investments valuation information for these investments are usually only available late September. If there are delays in receiving this information, this could impact on the completion of the audit as we need evidence of the fair value of the investments before issuing our audit report especially given the current fluctuations in the markets around the world.	We will obtain assurance that: • processes applied to the valuation of investments are designed and operating effectively; • the methodology and source information applied in valuation models is appropriate; and • the valuations as at 30 June 2025 are materially correct. We will confirm the effectiveness of the monitoring process being undertaken by the District Council to ensure that investments comply with the District Council's investment policies. We will also review the accounting for the changes in value of investments to ensure that these are appropriately accounted for and disclosed in the financial statements in accordance with the relevant PBE IPSAS accounting standards.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Risk/issue	Our audit response
Revaluation of property, plant and equipment (revaluation year)	
The District Council revalues its infrastructure and operational assets whenever there is expected to be a material movement in the fair value of those assets. A revaluation is scheduled for this year. The reasonableness of the valuation depends on the valuation method applied, the completeness and accuracy of the source data, and the appropriateness of key assumptions. Some valuations are inherently complex and involve the use of numerous data sources and key assumptions that can have significant impacts on valuations and the future depreciation expense. The District Council will need to collate information about the underlying assumptions and data to support the valuations. One of the key assumptions in a depreciated replacement cost valuation is the unit rate adopted for significant components. When developing the unit rates, the District Council should have a documented methodology and database of cost information to support the unit rate applied in the valuation. The District Council should ensure the scope of the valuation work is sufficient and the reasons for the movement in the valuation are documented and justified. As a minimum, the reasons for the movement should identify and explain movements at an asset component level since the last valuation due to changes in source data (for example, lengths and volumes), unit rates, and any other significant adjustments. Valuations prepared by a firm external to the District Council should be subject to quality reviews by the valuation firm and suitably experienced members of the District Council's management team. When a valuation is completed internally this should be peer reviewed by a suitably	We will: • review valuation reports to assess the objectivity and competence of the valuers and whether the requirements of accounting standard PBE IPSAS 17 *Property, Plant and Equipment*, have been met; • assess relevant quality controls that support the integrity of the underlying data and assumptions schedules used in the valuations; • obtain an understanding of and test the underlying source data used in the valuations; • review the methodology used to develop unit rates and test those rates back to the District Council's analysis of recent contract costs; • engage with the valuers as part of assessing the reasonableness of the assumptions used as well as the reasons for movements in key asset components; • review the accounting entries and the fixed asset register to ensure the values are correctly updated; and • review the appropriateness of the disclosure, including any narrative.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Risk/issue	Our audit response
experienced and qualified person, for example an external valuation firm would be considered appropriate.	
Accounting for impairment, capitalisation of costs and recognition of completed assets	
Impairment Assets are required to be assessed for indicators of impairment at each reporting date. In addition, work in progress (WIP) values on projects that span an extended period of time should be assessed regularly for impairment over the period of the project. **Capitalisation of costs** The District Council should ensure appropriate policies and processes are in place to identify and capitalise costs that are capital in nature. This includes both direct and indirect capital costs. **Completed projects** The District Council also needs to ensure that, as phases of a project are completed, and assets become operational, capitalisation of the WIP balance is performed in a timely manner. This will ensure that depreciation on these assets starts when the asset is complete and ready for use. The District Council had a significant WIP balance at 30 June 2024 with a risk that some projects within the balance may have been abandoned and should be written off. The District Council should analyse the aging of WIP balances by year and consider whether any old balances should be written off or impaired.	We will: • assess the processes used by management to assess for impairment, including all significant WIP balances and review the analysis of WIP aging; • update our understanding of the District Council policy and processes to identify and capitalise both direct and indirect capital costs; and • review management's processes to ensure that the capitalisation of WIP costs is performed in a timely manner.

Risk/issue	Our audit response
The risk of management override of internal controls	
There is an inherent risk in every organisation of fraud resulting from management override of internal controls. Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Auditing standards require us to treat this as a risk on every audit.	Our audit response to this risk includes: • testing the appropriateness of selected journal entries; • reviewing accounting estimates for indications of bias; and • evaluating any unusual or one-off transactions, including those with related parties.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Other areas of interest across the local government sector

There are a number of sector wide issues significant to most local authorities. These include areas of interest that are not necessarily significant to the District Council but are areas we monitor as part of our responsibility to consider the broader risks affecting local authorities. We have reviewed the specific areas of interest for the 2024/25 year and have not identified any areas of focus over and above those already covered in this plan. Should any additional areas be identified during the year we will notify the Council separately. Wider public sector areas of interest are set out on pages 7 to 8.

Amendments to PBE IPSAS 1 regarding the disclosure of audit fees

The amendments to PBE IPSAS 1 have expanded and clarified the disclosure expectations for audit fees. These changes are applicable to reporting periods beginning on or after 1 January 2024, which means they will apply to the 2025 annual report.

The enhanced disclosure requirements introduce a requirement to disclose the fees incurred for services received from audit or review firms using specific categories. Under each category of other non-audit or review services, entities reporting under Tier 1 are required to provide a description of each type of service received and the corresponding fees incurred for the reporting period.

The amendments also clarify that for the purpose of these disclosures, the fees for services received from the audit or review firm are based on the amount of fees expensed during the reporting period. This includes any disbursements incurred in connection with the services.

Mutual Liability Riskpool Scheme

Although Riskpool is in wind down, member councils have an ongoing obligation to contribute to it should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme.

In August 2023, Riskpool indicated that member councils might have to provide further contributions to cover identified shortfalls whereby claims exceed reinsurance recoveries. This led to relevant councils recognising a provision or including disclosure of the situation and what it meant in their 2022/23 financial statements.

In November 2023, Riskpool made a call on member councils to fund quantified shortfalls. The amount to be funded by member councils was $12.9 million. Riskpool reserves the right to make further calls for additional funding if needed. To date, we are not aware of any further calls being made.

The District Council will need to consider its disclosures in this regard and should specifically consider whether further information is available to allow the District Council to reliably measure a provision for unpaid calls.



Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Dealing with the "Local Water Done Well" water reforms in the 2025 annual report

Local Water Done Well is being implemented in stages:

- Stage 1 – repealing the affordable water reforms (completed in February 2024);
- Stage 2 – passing the Local Government (Water Services Preliminary Arrangements) Act 2024 (completed in September 2024); and
- Stage 3 – introducing the Local Government Water Services Bill, which will establish the enduring settings for the new water services system (expected to be passed by mid-2025).

Depended on the status of the water reforms and the Council's response to those, we recommend the District Council provide a high-level summary of the reforms at the time of reporting. This should include that the Council must prepare, consult on aspects of, and adopt a water services delivery plan. Where the Council's intentions are well developed and formalised via Council resolution, the Council may wish to describe the anticipated or proposed model or arrangement for delivering water services, and planned timing of implementation.

We will communicate any changes in expectations to you when we have a better understanding of water service delivery plans and their possible effects on the audited information contained in the annual report.

Benchmark reporting

As part of the local government reform programme, the Department of Internal Affairs (DIA) is set to benchmark council performance. The DIA will publish a yearly report on key financial and delivery outcomes, of which the first report is to be released mid-2025. The report is expected to include several performance metrics, including rates, debt, capital expenditure, balanced budget, and road condition. Legislation is expected to be amended to allow future benchmarking reports to include comparison of contractors and consultant expenditure, alongside other metrics.

We wish to signal to the Council that where information used in the DIA's benchmarking process is drawn from the annual report, this may create additional areas of focus for both the Council and the audit team during the audit process. Should any additional areas be identified, we will notify the Council separately.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Fraud risk

Misstatements in the financial statements and performance information can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action is intentional or unintentional. Our consideration of fraud risk covers both misstatements resulting from fraudulent reporting and misstatements resulting from misappropriation of assets.

Your responsibility

The primary responsibility for the prevention and detection of fraud and error rests with the Council, with assistance from management. In this regard, we have discussed the following questions with you:

- How does the Council see its role in relation to fraud? How do you monitor management's exercise of its responsibilities?
- Has a robust fraud risk assessment been completed? If so, is the Council satisfied that it had appropriate input into this process?
- How does management provide assurance that appropriate internal controls to address fraud risks are in place and operating?
- What protocols/procedures have been established between the Council and management to keep you informed of instances of fraud, either actual, suspected, or alleged?
- Are you aware of any actual, suspected, or alleged fraud? If so, have the results of management's investigation been reported to the Council? Has appropriate action been taken on any lessons learned?

Our responsibility

Our responsibility is to obtain reasonable, but not absolute, assurance that the financial statements and performance information are free from material misstatement, including any resulting from fraud. Our approach to obtaining this assurance is to:

- identify fraud risk factors and evaluate areas of potential risk of material misstatement;
- evaluate the effectiveness of internal controls in mitigating the risks;
- perform audit testing to address the risks identified; and
- remain alert for indications of potential fraud in evaluating audit evidence.

The Auditor-General has published useful information on fraud that can be found at oag.parliament.nz/reports/fraud-reports.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Legislative compliance

As part of the Auditor-General's mandate, we consider compliance with laws and regulations that directly affect your annual report. Our audit does not cover all of your requirements to comply with laws and regulations.

Mandatory disclosures

The annual report must contain the disclosures required under certain legislation, including:

- the Local Government Act;
- the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- the Non-Financial Performance Measures Rules 2024.

The District Council should continue to review the legislative disclosure requirements and check that these are accurate and complete.

Integrity self-assessment survey

In December 2024, the Office of the Auditor-General (OAG) published the second edition of the integrity framework for the public sector, followed in January 2025 by a guide on monitoring integrity in public organisations. The OAG's 2024/25 Annual Plan highlighted as a priority supporting strong organisational integrity practices. Aligned with that priority, Audit New Zealand is conducting an integrity self-assessment survey (the survey) as part of the 2024/25 annual audits across 51 local authorities and 22 central government organisations. The survey aims to understand how these organisations establish a culture of integrity and raise awareness about its importance. The District Council is one of the organisations being surveyed.

The survey results will be shared with the Council and will serve as a baseline for possible future audit work. A summary report will also be compiled from the findings across all surveyed organisations. This will be shared with the District Council.



Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Materiality

In performing our audit, we apply materiality. Materiality refers to information that if omitted, misstated, or obscured could reasonably be expected to:

- influence readers' overall understanding of the financial statements and service performance information; and
- influence readers in making decisions about the stewardship and allocation of resources or assessing your performance.

This definition of materiality is broader than the one used in the private sector.

It is a matter of judgement whether information is material. We consider the nature (qualitative) and amount (quantitative) of each item judged in the surrounding circumstances and its impact. Qualitative considerations are of equal significance as quantitative considerations. Qualitative considerations are of primary importance in in the context of disclosures for transparency and accountability reasons, and in evaluating any non-compliance with laws and regulations.

The Council and management need to make their own assessment of materiality from a preparer's perspective Management and the Council should not rely on our materiality assessment as a basis for owning and making judgements about the integrity of the financial statements and service performance information.

Financial statements materiality

For planning purposes, we have set **overall group materiality** for the financial statements at $382,900,000 and **overall parent materiality** of $373,300,000 based on group and parent budgeted property, plant and equipment. These are subject to change once the actual results for the current year are available. For this audit we are only applying this overall materiality to the fair value of property, plant and equipment.

Overall group materiality	$382,900,000
Specific group materiality	$6,800,000
Group Clearly trivial threshold	$340,000
Parent overall materiality	$373,300,000
Parent specific materiality	$6,630,000
Parent clearly trivial threshold	$330,000

For this audit we have set a lower, **specific group materiality** of $6,800,000 and **specific parent materiality** of $6,630,000 for all items not related to the fair value of property, plant and equipment.

A lower specific materiality is also determined separately for some items due to their sensitive nature. For example, a lower specific materiality is determined and applied for related party and key management personnel disclosures.

We design our audit procedures to detect misstatements at a lower level than overall materiality. This takes account of the risk of cumulative misstatements and provides a safety net against the risk of undetected misstatements.

Misstatements

Misstatements are differences in, or omissions of, amounts and disclosures that may affect a reader's overall understanding of your financial statements and Service Performance Information . The effects of any detected and uncorrected misstatements, individually and in aggregate, are assessed against materiality and qualitative considerations.

We will report all uncorrected misstatements to the Council other than those that are **clearly trivial**. We consider misstatements of less than $340,000 for the group and $330,000 for the parent to be clearly trivial unless there are relevant qualitative considerations. We will ask for each of these misstatements to be corrected. Where management does not wish to correct a misstatement we will seek written representations from the Council on the reasons why the corrections will not be made.

Audit of service performance information

Our audit work will be undertaken under Auditing Standard 1 (Revised) *The Audit of Service Performance Information* (issued by the External Reporting Board July 2023). This standard is closely related to the accounting standard for service performance reporting (PBE FRS 48). The new standard is broadly similar to the existing standard on auditing service performance information but may result in a few changes in our audit work, including our approach to determining which performance measures are material, or how we link the work we do on some performance measures to the work we do in related financial statement areas.

Of particular note are specific requirements relating to the measurement bases or evaluation methods used to measure or evaluate performance measures and/or descriptions. Auditors are required to assess if these are appropriate and meaningful, if they are available to intended users, and whether the service performance information is prepared, in all material respects, in accordance with these. In respect of availability to intended users, we will be looking for adequate disclosure in the annual report on the basis of measurement/evaluation methods for performance measures and/or descriptions, where this is not self-evident.

Materiality for service performance information

At an overall level, we assess whether the service performance information is suitable, given your purpose and the nature of your activities, and whether the reporting allows for an informed assessment of the District Council's performance. In doing this we consider whether the information is relevant, complete, reliable, neutral, and understandable.

We set materiality for service performance information at an individual measure level based on what we expect would influence readers' overall understanding, decision making, or assessment of the District Council's

performance. Because of the variety of measurement bases applied, we normally express this materiality as a percentage of the reported result.

We have identified the following measures as material and assessed materiality for planning purposes. We will reassess this during the audit.

Material measure	Materiality
Safety of drinking water Compliance with the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 and DWQAR 2022 (target: full compliance) *	0% - the measure is reported as compliant or not compliant for each water supply
Drinking water - customer satisfaction The percentage of residents satisfied with the quality and safety of the district's water supply (target: 80%)	8%
Compliance with wastewater resource consents Comply with all resource consents for wastewater discharge from our system. Measured by the number of abatement notices received, infringement notices received, enforcement orders received, and convictions received (target: 0)	5%
Wastewater - customer satisfaction The percentage of residents satisfied with the quality and safety of the district's wastewater treatment system (target: 80%)	8%
Compliance with stormwater resource consents Comply with all resource consents for discharges from our stormwater system. Measured by the number of abatement notices received, infringement notices received, enforcement orders received, and convictions received (target: 0)	5%
Transport - customer satisfaction The percentage of residents satisfied with the overall quality of the district's roads (target: 60%)	8%
Road network maintenance The minimum percentage of the sealed local road network that is resurfaced (target: 5%)	5%
Resource consent processing times The percentage of non-notified resource management consents processed within statutory timeframes (target: 100%)	8%

*We understand that DIA are publishing guidance around the reporting of safety of drinking water measures. The District Council will need to review this guidance once it has been issued.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Group audit

Our audit report covers the group as a whole. We developed our audit approach for the group to obtain sufficient information to give an opinion on the group financial statements and performance information. We have assessed the risks of material misstatement and have identified our approach for each component.

We will report any significant internal control deficiencies to the Council and management of the group. This will include any deficiencies identified by the group engagement team or brought to our attention by a component auditor. We will communicate deficiencies related to:

- group-wide internal controls; or
- internal controls at each component.

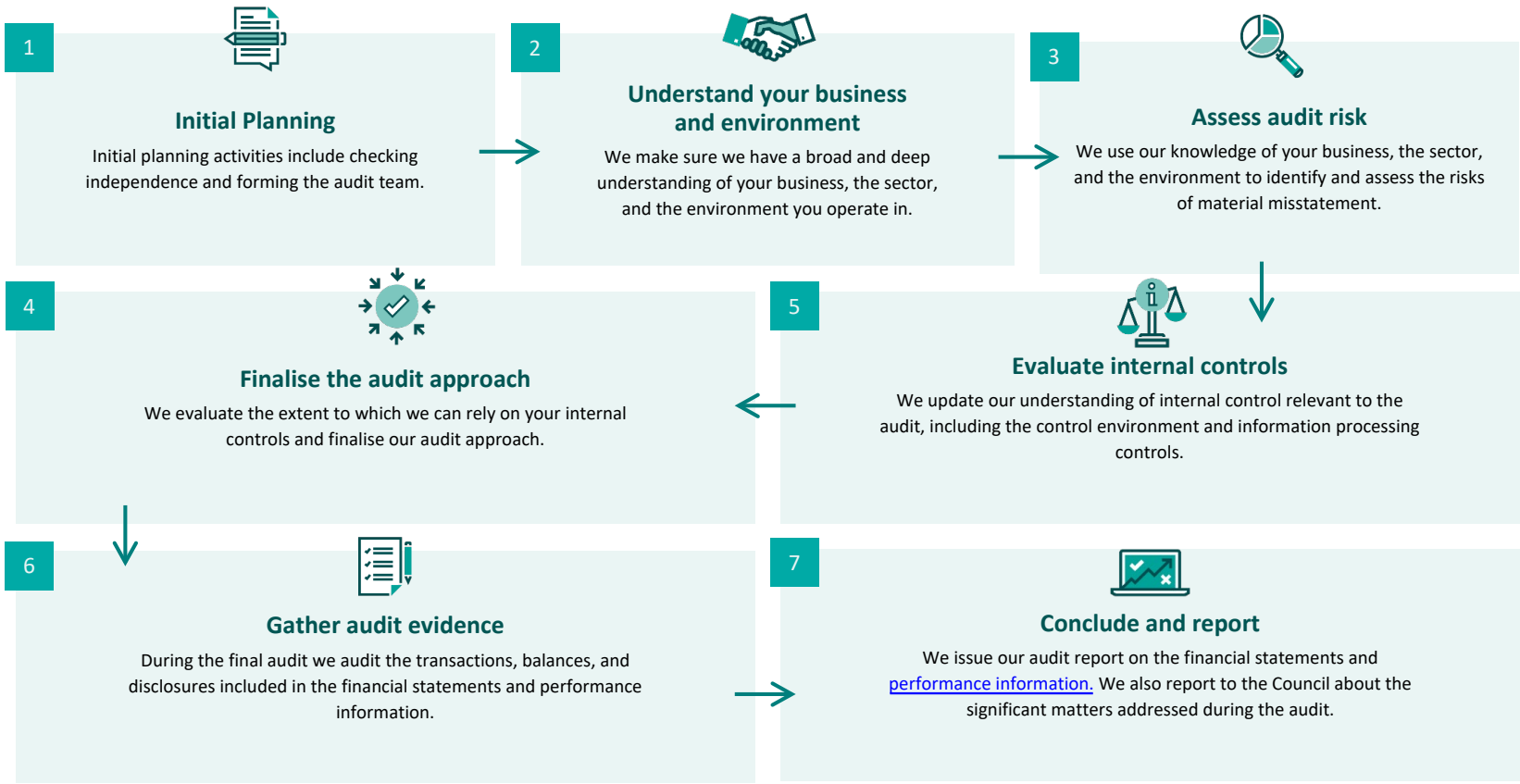
We will also communicate any fraud identified by the group engagement team or brought to our attention by a component auditor.

Component	Our audit approach
Papa Rererangi i Puketapu Limited	I am also the component auditor of Papa Rererangi i Puketapu Limited. The audit work on this component will be a full financial statement and performance information audit. The significant audit risk relevant to this component is: • The risk of management override of controls

This table shows the work we have planned for each component. In addition to this, we will perform analytical procedures for other components.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Our audit process



Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Enhancing year-end processes

The year-end financial statement close process and the preparation of the annual report requires a large number of resources to be committed to complete it effectively. We want the audit process to run smoothly, and we will work with management to achieve this through bringing forward the timing of audit procedures.

The District Council is preparing property, plant and equipment valuations at 31 March 2025. This will allow our audit work over the valuations to be brought forward.

Bringing forward audit procedures

Substantive audit procedures are traditionally performed after year-end. Where possible, we will aim to bring audit procedures forward to earlier in the year. This will be focused on year-to-date transactions for revenue, expenditure, and performance information. Completion of these tests earlier in the year should allow for more timely identification and resolution of errors.

We will work with management to facilitate getting the information required at the right time. We will communicate with management if information is not available as agreed, including any impact on the year-end audit.

Professional judgement and professional scepticism

Many of the issues that arise in an audit, particularly those involving valuations or assumptions about the future, involve estimates. Estimates are inevitably based on imperfect knowledge or dependent on future events. Many financial statement items involve subjective decisions or a degree of uncertainty. There is an inherent level of uncertainty which cannot be eliminated.

The term "opinion" reflects the fact that professional judgement is involved. Our audit report is not a guarantee but rather reflects our professional judgement based on work performed in accordance with established standards.

Auditing standards require us to maintain professional scepticism throughout the audit. Professional scepticism is an attitude that includes a questioning mind and a critical assessment of audit evidence. Professional scepticism is fundamentally a mind-set resulting in a questioning approach when considering information and in forming conclusions.

Exercising professional scepticism means that we will not accept everything you tell us at face value. We will ask you and management to provide evidence to support what you tell us. We will also challenge your judgements and assumptions and weigh them against alternative possibilities.

Wider public sector considerations

A public sector audit also examines whether:

- the District Council carries out its activities effectively and efficiently;
- waste is occurring or likely to occur as a result of any act or failure to act by the District Council;

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

- there is any sign or appearance of a lack of probity as a result of any act or omission by the District Council or by one or more of its members, office holders, or employees; and
- there is any sign or appearance of a lack of financial prudence as a result of any act or omission by the District Council or by one or more of its members, office holders, or employees.

Reporting protocols and expectations

Communication with management and the Council

We will meet with management and the Council throughout the audit. We will maintain ongoing, proactive discussion of issues as and when they arise to ensure there are “no surprises”.

Our planning meetings have been scheduled as follows:

Meeting with	Planned timing
Chief Executive	7 April 2025
GM Corporate Innovation	7 April 2025
GM Operational Excellence	8 April 2025
GM Strategy & Planning	8 April 2025
Mayor	To be confirmed
Chair of Finance Audit & Risk Committee	To be confirmed

Reports to the Council

We will provide a draft of all reports to management (and the Council) for discussion/clearance purposes. In the interests of timely reporting, we ask management to provide their comments on the draft within 10 working days. Once management comments are received the report will be finalised and provided to the Council.

At the end of the audit, we will report to the Council our views on:

- the level of prudence in key judgements made by management in preparing the financial statements; and
- the quality and timeliness of information provided for audit by management.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Expectations

For the audit process to go smoothly for both you and us, there are expectations that each of us need to meet. Our respective responsibilities are set out in our audit engagement letter.

We expect that:

- you will provide us with access to all relevant records and provide information in a timely manner;
- staff will provide an appropriate level of assistance;
- the draft financial statements, including all relevant disclosures, will be available in accordance with the agreed timetable;
- management will make available a detailed workpaper file supporting the information in the financial statements; and
- the annual report, financial statements and performance information will be subjected to appropriate levels of quality review before being provided to us.

To help you prepare for the audit, we will liaise with management and provide them with a detailed list of the information we will need for the audit.

Health and safety

The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff.

Under the Health and Safety at Work Act 2015, we need to make arrangements with management to keep our audit staff safe while they are working at your premises.

We expect you to provide a work environment for our audit staff that minimises or, where possible, eliminates risks to their health and safety. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment where required. We also expect management to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Audit logistics and next steps

Our team

Our engagement team is selected to ensure that we have the right subject matter expertise and sector knowledge. Each member of the audit team has received tailored training to develop their expertise.

Our senior audit team members are:

Chris Webby	Appointed Auditor
Leon Pieterse	Engagement Quality Review Director
Alistair Love	Audit Manager
Tayla Corbett	Assistant Manager

The Engagement Quality Review (EQR) Director forms an important part of our internal quality assurance process to maintain and enhance the quality of your audit. They are independent from the day-to-day audit field work, and so can provide an independent challenge to the audit team on their judgements. The EQR will work with your Appointed Auditor and the audit team but will not have direct contact with you. Leon Pieterse has extensive experience in the sector and is the Appointed Auditor for several other clients in the sector.

Timetable

Our proposed timetable is:

Interim audit held	17 March 2025
Planning meetings held	April 2025
Pre-final audit including audit of revaluations	23 June 2025
Draft parent financial statements available for audit, including notes to the financial statements (version from Value Financials)	15 August 2025
Final audit begins	18 August 2025
Full group annual report available for audit (including notes to the financial statements, non-financial performance measures, Mayor and Chief Executive's messages)	28 August 2025
Final annual report available, incorporating all agreed amendments	22 September 2025
Verbal audit clearance given	26 September 2025
Audit opinion issued	30 September 2025
Draft report to the Council issued	30 September 2025

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Subsidiary audits	
Papa Rererangi i Puketapu Limited audit begins	11 August 2025
New Plymouth PIF Guardians Limited audit begins	21 July 2025
Forestry joint venture audits begin	28 July 2025

AuditDashboard

We will again use AuditDashboard for transferring files as part of the audit.

Working remotely

Covid-19 restrictions, such as lockdowns, and resultant changes to our own and our client's work locations, including increasing numbers working from home have meant we changed how we worked with our clients.

Lockdowns meant that our clients and our auditors did not always have access to their premises and information and had to work remotely. This confirmed that aspects of our audit work can be done efficiently off-site. We plan to continue to perform aspects of your audit remotely as there are some benefits to you and us of having our team off-site for parts of the audit.

During the previous audit, we were able to perform some of our audit work remotely. Based on our experience we found that the District Council has some systems and processes in place but these will only facilitate a portion of the any off-site work.

We recognise different organisations are positioned differently to enable off-site audit work. We will be discussing and agreeing off-site working expectations in conjunction with our information requests with you. This will include our continued use of AuditDashboard to manage our information requests.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Audit timetable

Activities/deliverables **Audit NZ / New Plymouth District Council**	2025											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Interim audit												
Planning meetings												
Pre-final audit including audit of revaluations												
Final audit												
Final financial statements available												
Verbal audit clearance given												
Audit opinion issued – Council Adoption meeting												
Draft report to the Council issued												



PO Box 149
Palmerston North 4440
Phone: 04 496 3099

www.auditnz.parliament.nz

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

12 June 2023

31 Amesbury Street
PO Box 149, Palmerston North 4440

Neil Holdom
Mayor
New Plymouth District Council
Private Bag 2025
Feilding 4342

Dear Neil

Audit Engagement Letter

This audit engagement letter is sent to you on behalf of the Auditor-General who is the auditor of all "public entities", including New Plymouth District Council (District Council), under section 14 of the Public Audit Act 2001 (the Act). The Auditor-General has appointed me, Debbie Perera, using the staff and resources of Audit New Zealand, under sections 32 and 33 of the Act, to carry out the annual audits of District Council's financial statements and performance information. We will be carrying out these annual audits on the Auditor-General's behalf, for the years ending 30 June 2023 to 30 June 2025.

This letter outlines:

- the terms of the audit engagement and the nature, and limitations, of the annual audit; and
- the respective responsibilities of the governing body (the council) and me, as the Appointed Auditor, for the financial statements and performance information.

The objectives of the annual audit are:

- to provide an independent opinion on the District Council's financial statements and performance information; and
- to report on other matters that come to our attention as part of the annual audit (typically those matters will relate to issues of financial management and accountability).

We will carry out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board (collectively the Auditing Standards). The Auditing Standards require that we comply with ethical requirements, and plan and perform the annual audit to obtain reasonable assurance about whether the New Plymouth District Council's financial statements and performance information are free from material misstatement. The Auditing Standards also require that we remain alert to issues of concern to the Auditor-General. Such issues tend to relate to matters of financial management and accountability.

The council's responsibilities

Our audit will be carried out on the basis that the council, as the governing body, acknowledges that it has responsibility for:

- preparing the financial statements and performance information in accordance with any applicable legal requirements and financial reporting standards;
- having such internal control as determined necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error; and
- providing us with:
    - access to all information relevant to preparing the financial statements and performance information such as records, documentation, and other information;
    - all other information, in addition to the financial statements and performance information, to be included in the annual report;
    - additional information that we may request from the District Council for the purpose of the audit;
    - unrestricted access to council members and employees that we consider necessary; and
    - written confirmation concerning representations made to us in connection with the audit;

In addition, the council is responsible for:

- the preparation of the summary financial statements and summary performance information;
- making the audited summary financial statements and summary performance information readily available to the intended users of that information; and
- including our audit report on the summary financial statements and summary performance information in any document that contains that information and that indicates that we have reported on that information.

The council's responsibilities extend to all resources, activities, and entities under its control. We expect that the council will ensure:

- the resources, activities, and entities under its control have been operating effectively and efficiently;
- it has complied with its statutory obligations including laws, regulations, and contractual requirements;
- it has carried out its decisions and actions with due regard to minimising waste;

- it has met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector in that it has carried out its decisions and actions with due regard to probity; and
- its decisions and actions have been taken with due regard to financial prudence.

We expect the council and/or the individuals within the District Council with delegated authority, to immediately inform us of any suspected fraud, where there is a reasonable basis that suspected fraud has occurred – regardless of the amount involved. Suspected fraud also includes instances of bribery and/or corruption.

The council has certain responsibilities relating to the preparation of the financial statements and performance information and in respect of financial management and accountability matters. These specific responsibilities are set out in Appendix 1. Appendix 2 contains some additional responsibilities relating to the health and safety of audit staff. We expect members of the council to be familiar with those responsibilities and, where necessary, have obtained advice about them.

The council should have documented policies and procedures to support its responsibilities. It should also regularly monitor performance against its objectives.

Our responsibilities

Carrying out the audit

We are responsible for forming an independent opinion on whether the financial statements of the District Council:

- present fairly, in all material respects:
  - its financial position; and
  - its financial performance and cash flows for the financial year;
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards.

We are also responsible for forming an independent opinion on whether the performance information of District Council:

- presents fairly, in all material respects, the performance for the financial year, including:
  - its performance achievements as compared with the intended levels of service for the financial year; and
  - its actual revenue and expenses as compared with the forecasts included in the Long-Term Plan and Annual Plan for the financial year; and
- complies with generally accepted accounting practice in New Zealand.

In addition to the above we are also responsible for forming an independent opinion whether:

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

- the funding impact statement of District Council, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Long-term plan and/or annual plan; and
- the statement about capital expenditure for each group of activities of District Council, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Long-term plan and/or annual plan; and
- the funding impact statement for each group of activities of District Council, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Long-term plan.

We are also required to report on whether the District Council has:

- complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements and performance information. How we obtain this information depends on our judgement, including our assessment of the risks of material misstatement of the financial statements and performance information, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements and performance information.

We do not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

During the audit, we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal controls. However, we will communicate to you in writing about any significant deficiencies in internal control relevant to the audit of the financial statements and performance information that we identify during the audit.

During the audit, the audit team will:

- be alert for issues of effectiveness and efficiency – in particular, how the council and the District Council have carried out their activities;
- consider laws and regulations relevant to the audit;
- be alert for issues of waste – in particular, whether the council obtained and applied the resources of the District Council in an economical manner, and whether any resources are being wasted;

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

- be alert for issues of a lack of probity – in particular, whether the council and the District Council have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector; and
- be alert for issues of a lack of financial prudence.

Our independence

It is essential that the audit team and Audit New Zealand remain both economically and attitudinally independent of District Council; including being independent of management personnel and members of the council). This involves being, and appearing to be, free of any interest that might be regarded, whatever its actual effect, as being incompatible with the objectivity of the audit team and the Audit New Zealand.

To protect our independence, specific limitations are placed on us in accepting engagements with the council other than the annual audit. We may accept certain types of other engagements, subject to the requirements of the Auditing Standards. Any other engagements must be the subject of a separate written arrangement between the council and me or Audit New Zealand.

Reporting

We will issue an independent audit report that will be attached to the financial statements and performance information. This report contains our opinion on the fair presentation of the financial statements and performance information and whether they comply with the applicable reporting requirements. The audit report may also include comment on other financial management and accountability matters that we consider may be of interest to the addressee of the audit report.

In addition, we will issue an audit report that will be attached to the summary financial statements and summary performance information. This audit report will contain an opinion that provides the same level of assurance as the audit report on the full financial statements and full performance information.

We will also issue a report that will be sent to the council. This report communicates any matters that come to our attention during the audit that, in our opinion, are relevant to the council. Typically, those matters will relate to issues of financial management and accountability. We may also provide other reports to District Council from time to time. We will inform the council of any other reports we have issued.

Please note that the Auditor-General may publicly report matters that are identified in the annual audit, in keeping with section 21 of the Public Audit Act 2001.

Next steps

Please acknowledge receipt of this letter and the terms of the audit engagement by signing the letter in the space provided and returning a copy to me. The terms will remain effective until a new Audit Engagement Letter is issued.

If you have any questions about the audit generally, or have any concerns about the quality of the audit, you should contact me as soon as possible. If, after contacting me, you still have concerns, you

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

should contact the Director of Auditor Appointments at the Office of the Auditor-General on (04) 917 1500.

If you require any further information, or wish to discuss the terms of the audit engagement further before replying, please do not hesitate to contact me.

Yours sincerely

Debbie Perera
Appointed Auditor
On behalf of the Auditor-General

I acknowledge the terms of this engagement and that I have the required authority on behalf of the council.

Signature: _____ Date: 13/9/23

Name: Neil Holdom

Title: Mayor

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Appendix 1: Respective specific responsibilities of the council (the governing body) and the Appointed Auditor

Responsibilities of the council	Responsibility of the Appointed Auditor
Responsibilities for the financial statements and performance information	

You are required by legislation to prepare financial statements and performance information in accordance with legal requirements and financial reporting standards.
 	
You must also ensure that any accompanying information in the annual report is consistent with that reported in the audited financial statements and performance information.
 	
You are required by legislation to prepare the financial statements and performance information and provide that information to us before the statutory reporting deadline. It is normal practice for you to set your own timetable to comply with statutory reporting deadlines. To meet the reporting deadlines, we are dependent on receiving the financial statements and performance information ready for audit and in enough time to enable the audit to be completed. "Ready for audit" means that the financial statements and performance information have been prepared in accordance with legal requirements and financial reporting standards, and are supported by proper accounting records and complete evidential documentation.
	We are responsible for carrying out an annual audit, on behalf of the Auditor-General. We are responsible for forming an independent opinion on whether the financial statements:
	
	• present fairly, in all material respects:
	  ○ the financial position; and
	  ○ the financial performance and cash flows for the financial year;
	• comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards.
	
	We are also responsible for forming an independent opinion on whether the performance information:
	
	• presents fairly, in all material respects, the performance for the financial year, including:
	  ○ the performance achievements as compared with the intended levels of service for the financial year; and
	  ○ the actual revenue and expenses as compared with the forecasts included in the Long-Term Plan and Annual Plan for the financial year.
	• complies with generally accepted accounting practice in New Zealand.
	
	In addition to the above we are also responsible for forming an independent opinion whether:
	
	• the funding impact statement of District Council, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Long-term plan and/or annual plan; and

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Responsibilities of the council	Responsibility of the Appointed Auditor
	• the statement about capital expenditure for each group of activities of District Council, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Long-term plan and/or annual plan; and • the funding impact statement for each group of activities of District Council, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Long-term plan. We are also required to report on whether District Council has: • complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report; and • made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014. We will also read the other information accompanying the financial statements and performance information and consider whether there are material inconsistencies with the audited financial statements and performance information.

Responsibilities of the council	Responsibility of the Appointed Auditor
	Materiality is one of the main factors affecting our judgement on the areas to be tested and on the timing, nature, and extent of the tests and procedures performed during the audit. In planning and performing the annual audit, we aim to obtain reasonable assurance that the financial statements and performance information do not have material misstatements caused by either fraud or error. Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence the audit report addressee's overall understanding of the financial statements and performance information. If we find material misstatements that are not corrected, they will be referred to in the audit opinion. The Auditor-General's preference is for you to correct any material misstatements and avoid the need for them to be referred to in the audit opinion. An audit also involves evaluating: • the appropriateness of accounting policies used and whether they have been consistently applied; • the reasonableness of the significant accounting estimates and judgements made by those charged with governance; • the appropriateness of the content and measures in any performance information; • the adequacy of the disclosures in the financial statements and performance information; and • the overall presentation of the financial statements and performance information. We will ask you for written confirmation of representations made about the financial statements and performance information. In particular, we will seek confirmation that: • the adoption of the going concern basis of accounting is appropriate; • all material transactions have been recorded and are reflected in the financial statements and performance information;

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Responsibilities of the council	Responsibility of the Appointed Auditor
	• all instances of non-compliance or suspected non-compliance with laws and regulations have been disclosed to us; and • uncorrected misstatements noted during the audit are immaterial to the financial statements and performance information. Any representation made does not in any way reduce our responsibility to perform appropriate audit procedures and enquiries. We will ensure that the annual audit is completed by the reporting deadline or, if that is not practicable because of the non-receipt or condition of the financial statements and performance information, or for some other reason beyond our control, as soon as possible after that. The work papers that we produce in carrying out the audit are the property of the Auditor-General. Work papers are confidential to the Auditor-General and subject to the disclosure provisions in section 30 of the Public Audit Act 2001.
Responsibilities for the accounting records	
You are responsible for maintaining accounting and other records that: • correctly record and explain the transactions of District Council; • enable you to monitor the resources, activities, and entities under your control; • enable District Council's financial position to be determined with reasonable accuracy at any time; • enable you to prepare financial statements and performance information that comply with legislation (and that allow the financial statements and performance information to be readily and properly audited); and • are in keeping with the requirements of the Commissioner of Inland Revenue.	We will perform sufficient tests to obtain reasonable assurance as to whether the underlying records are reliable and adequate as a basis for preparing the financial statements and performance information. If, in our opinion, the records are not reliable or accurate enough to enable the preparation of the financial statements and performance information and the necessary evidence cannot be obtained by other means, we will need to consider the effect on the audit opinion.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Responsibilities of the council	Responsibility of the Appointed Auditor
Responsibilities for accounting and internal control systems	
You are responsible for establishing and maintaining accounting and internal control systems (appropriate to the size of District Council), supported by written policies and procedures, designed to provide reasonable assurance as to the integrity and reliability of financial and performance information reporting.	The annual audit is not designed to identify all significant weaknesses in your accounting and internal control systems. We will review the accounting and internal control systems only to the extent required to express an opinion on the financial statements and performance information. We will report to you separately, on any significant weaknesses in the accounting and internal control systems that come to our notice and that we consider may be relevant to you. Any such report will provide constructive recommendations to assist you to address those weaknesses.
Responsibilities for preventing and detecting fraud and error	
The responsibility for the prevention and detection of fraud and error rests with you, through the implementation and continued operation of adequate internal control systems (appropriate to the size of District Council) supported by written policies and procedures. We expect you to formally address the matter of fraud, and formulate an appropriate policy on how to minimise it and (if it occurs) how it will be dealt with. Fraud also includes bribery and corruption. We expect you to consider reporting all instances of actual, suspected, or alleged fraud to the appropriate law enforcement agency, which will decide whether proceedings for a criminal offence should be instituted. We expect you to immediately inform us of any suspected fraud where you, and/or any individuals within District Council with delegated authority have a reasonable basis that suspected fraud has occurred – regardless of the amount involved.	We design our audit to obtain reasonable, but not absolute, assurance of detecting fraud or error that would have a material effect on the financial statements and performance information. We will review the accounting and internal control systems only to the extent required for them to express an opinion on the financial statements and performance information, but we will: • obtain an understanding of internal control and assess its ability for preventing and detecting material fraud and error; and • report to you any significant weaknesses in internal control that come to our notice. We are required to immediately advise the Office of the Auditor-General of all instances of actual, suspected, or alleged fraud. As part of the audit, you will be asked for written confirmation that you have disclosed all known instances of actual, suspected, or alleged fraud to us. If we become aware of the possible existence of fraud, whether through applying audit procedures, advice from you, or management, or by any other means, we will communicate this to you with the expectation that you will consider whether it is appropriate to report the fraud to the appropriate law enforcement agency. In the event that you do not report the fraud to the appropriate law enforcement agency, the Auditor-General will consider doing so, if it is appropriate for the purposes of protecting the interests of the public.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Responsibilities of the council	Responsibility of the Appointed Auditor
Responsibilities for compliance with laws and regulations	
You are responsible for ensuring that District Council has systems, policies, and procedures (appropriate to the size of District Council) to ensure that all applicable legislative, regulatory, and contractual requirements that apply to the activities and functions of District Council are complied with. Such systems, policies, and procedures should be documented.	We will obtain an understanding of the systems, policies, and procedures put in place for the purpose of ensuring compliance with those legislative and regulatory requirements that are relevant to the audit. Our consideration of specific laws and regulations will depend on a number of factors, including: • the relevance of the law or regulation to the audit; • our assessment of the risk of non-compliance; • the impact of non-compliance for the addressee of the audit report The way in which we will report instances of non-compliance that come to our attention will depend on considerations of materiality or significance. We will report to you and to the Auditor-General all material and significant instances of non-compliance. We will also report to you any significant weaknesses that we observe in internal control systems, policies, and procedures for monitoring compliance with laws and regulations.
Responsibilities to establish and maintain appropriate standards of conduct and personal integrity	
You should at all times take all practicable steps to ensure that your members and employees maintain high standards of conduct and personal integrity. You should document your expected standards of conduct and personal integrity in a "Code of Conduct" and, where applicable, support the "Code of Conduct" with policies and procedures. The expected standards of conduct and personal integrity should be determined by reference to accepted "Codes of Conduct" that apply to the public sector.	We will have regard to whether you maintain high standards of conduct and personal integrity – particularly in matters relating to financial management and accountability. Specifically, we will be alert for significant instances where members and employees of District Council may not have acted in accordance with the standards of conduct and personal integrity expected of them. The way in which we will report instances that come to our attention will depend on significance. We will report to you and to the Auditor-General all significant departures from expected standards of conduct and personal integrity that come to our attention during the audit.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Responsibilities of the council	Responsibility of the Appointed Auditor
	The Auditor-General, on receiving a report from us, may, at his discretion and with consideration of its significance, decide to conduct a performance audit of, or an inquiry into, the matters raised. The performance audit or inquiry will be subject to specific terms of reference, in consultation with you. Alternatively, the Auditor-General may decide to publicly report the matter without carrying out a performance audit or inquiry.
Responsibilities for conflicts of interest and related parties	
You should have policies and procedures to ensure that your members and employees carry out their duties free from bias. You should maintain a full and complete record of related parties and their interests. It is your responsibility to record and disclose related-party transactions in the financial statements and performance information in accordance with generally accepted accounting practice.	To help determine whether your members and employees have carried out their duties free from bias, we will review information provided by you that identifies related parties, and will be alert for other material related-party transactions. Depending on the circumstances, we may enquire whether you have complied with any statutory requirements for conflicts of interest and whether these transactions have been properly recorded and disclosed in the financial statements and performance information.
Responsibilities for publishing the audited financial statements on a website	
You are responsible for the electronic presentation of the financial statements and performance information on District Council's website. This includes ensuring that there are enough security and controls over information on the website to maintain the integrity of the data presented. If the audit report is reproduced in any medium, you should present the complete financial statements, including notes, accounting policies, and any other accountability statements.	Examining the controls over the electronic presentation of audited financial statements and performance information, and the associated audit report, on your website is beyond the scope of the annual audit.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Appendix 2: Health and safety of audit staff

The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff. Under the Health and Safety at Work Act 2015 we need to make arrangements with you to keep our audit staff safe while they are working at your premises. We expect you to provide a safe work environment for our audit staff. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment, where required. We also expect you to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

31 Amesbury Street
PO Box 149, Palmerston North 4440

31 July 2023

Ref: EN/LCA/03-0026; EN/CCO1-1-0038/49

Neil Holdom
Mayor
New Plymouth District Council
Private Bag 2025
New Plymouth 4342

Copy: Manager, Auditor Appointments
Office of the Auditor–General
PO Box 3928
Wellington 6140

Tēnā koe Neil

Proposal to conduct the audit of New Plymouth District Council and subsidiaries on behalf of the Auditor-General for the 2023, 2024, and 2025 financial years

1 Introduction

As required by the Office of the Auditor-General (OAG), I set out below information relating to the audit of New Plymouth District Council and subsidiaries for the three financial years ending 30 June 2023, 2024, and 2025.

The purpose of this proposal is to provide information on:

- the statutory basis for the audit and how audit fees are set;
- the entities and audit or assurance engagements covered by this proposal;
- key members of the audit team;
- the hours we plan to spend on the audit and reasons for any change in hours;
- our proposed fees for the audit for the financial years ending 30 June 2023, 2024, and 2025;
- assumptions relating to the proposed audit fees, including what we expect of your Council;
- what the OAG Audit Standards and Quality Support charge provides;
- certification required by the Auditor-General; and

Document Set ID: 9042350
Version: 2, Version Date: 18/09/2023

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

- our commitment to conduct the audit in accordance with the Auditor-General's Auditing Standards.

2 Statutory basis for the audit and how audit fees are set

The audit of New Plymouth District Council and subsidiaries is carried out under section 15 of the Public Audit Act 2001, which states that "the Auditor-General must from time to time audit the financial statements, accounts, and other information that a public entity is required to have audited".

Fees for audits of public entities (including Councils) are set by the Auditor-General under section 42 of the Public Audit Act 2001. However, your Council and I can reach agreement first and recommend those fees for approval. The Auditor-General, with assistance from the OAG, will set audit fees directly only if we fail to reach agreement.

The Public Audit Act 2001 requires the Auditor-General to make sure that audit fees are "reasonable" for the auditors and for each of the entities audited. Parliament has indicated that it expects the cost of annual audits under the Act (which include an OAG Audit Standards and Quality Support charge) to be funded by public entities.

Over recent years, audit fees for many public entities have not kept pace with the real costs of the audit for a range of reasons, including the effect of new accounting and auditing standards and the changing scale and complexity of many public entities' activities. A general concern about low fees impacting on auditors' ability to maintain consistent audit quality has also been raised by regulatory bodies here in New Zealand and overseas.

Low fees are unsustainable and need to be rectified. The Auditor-General has decided to allow fee increases to a level that reflects the real time and cost of the audit. The size of increases will vary depending on the reasonableness of the current fee paid by each entity and any changes that have occurred since the last fees were agreed.

Our fees will take account of the nature and extent of the audit requirements for each Council. The audit hours in this proposal reflect the time required to complete a high-quality public sector audit efficiently.

The fees are based on charge-out rates that will ensure we can maintain the capacity needed to complete your audits. The global and local auditor shortage is having a continuing impact and has resulted in significant salary inflation. The current economic uncertainty and general inflation have also contributed to charge out rates increasing significantly.

Our proposed audit fees are set out in this letter and include an estimate of the reasonable cost of disbursements (including travel and accommodation where necessary).

The Office of the Auditor-General will be monitoring the outcome of the negotiations to ensure that fees are reasonable.

Document Set ID: 9042350
Version: 2, Version Date: 18/09/2023

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Councils can take actions to ensure the efficiency of their audit. This includes being well prepared for audit, ensuring complex judgement issues are addressed early, regularly communicating with your auditor about any changes that might impact your reporting or the audit, , having tidy systems and controls, and ensuring that relevant people are available to assist the auditors as they carry out their audit work. I welcome further discussion with you on opportunities for reducing the time and costs of your audit.

3 Entities and audit or assurance engagements covered by this proposal

This proposal covers the audits of the following entities for the next three years:

- New Plymouth District Council
- Two joint venture entities
    - Duthie Joint Venture
    - McKay Joint Venture

The audits of New Plymouth District Council include the Debenture Trust Deed audits for the next three years. A separate Engagement Letter and fee proposal will be provided for the Debenture Trust Deed audits.

A separate audit proposal will be agreed for each of the other council-controlled organisations, trusts, and any other entities that make up the group, where an audit is required.

Any additional reviews or agreed upon procedures that we are requested to complete will also be covered by a separate fee proposal or engagement letter.

4 Key members of the audit team

Appointed Auditor	Debbie Perera
Engagement Quality Reviewer	Leon Pieterse
Audit Manager	Alistair Love
Tax Director	Jason Biggins
Information Systems Director	Dieter Röhm

Document Set ID: 9042350
Version: 2, Version Date: 18/09/2023

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

5 Estimated audit hours

We estimate that the following hours will be required to carry out a quality public sector audit for your Council efficiently. We have also included some information to help you understand how this compares with budgeted and actual data from the previous financial year):

New Plymouth District Council and Group

Audit team member	2022 budget	2022 actual *	2023	2024	2025
Appointed Auditor	100	185	130	130	130
Engagement Quality Reviewer	15	15	28	28	28
Audit Manager	150	250	205	205	205
Other CA qualified staff	350	759	439	439	439
Non-CA qualified staff	420	360	426	426	426
Other specialists	82	45	98	98	98
Total audit hours	**1,117**	**1,614**	**1,326**	**1,326**	**1,326**

***Note** – actual hours have been adjusted to eliminate any hours that were due to auditor inefficiencies. The actual hours that remain are the reasonable hours that were attributable to the audit in that year.

Significant additional audit effort was required in relation to:

- infrastructure asset valuations that were significantly delayed. Additional staff were required to complete the audit work on the asset valuations when they were received;
- investments in private equity funds. We were required to obtain and audit a significant amount of additional information to obtain assurance over the valuation of the investments in private equity funds;
- the percentage of non-notified resource management consents processed within statutory timeframes. A significant number of errors were identified in the reporting on this performance measure. After these errors were fixed, we were required to audit the amended result; and
- complaints received by the after-hours call centre which is run by a third party. Additional audit work was required to ensure that after-hours calls were being accurately recorded in the customer relationship management system.

Document Set ID: 9042350
Version: 2, Version Date: 18/09/2023

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Joint venture entities – per entity

Audit team member	2022 budget	2022 actual *	2023	2024	2025
Appointed Auditor	2	4	3	3	3
Audit Manager	4	3	4	4	4
Other CA qualified staff	-	7	-	-	-
Non-CA qualified staff	10	-	10	10	10
Other specialists	-	-	-	-	-
Total audit hours	**16**	**14**	**17**	**17**	**17**

The increase in hours for each of the joint ventures reflects the change in staff mix.

5.1 Reasons for changes in audit hours

The major reasons for the changes in hours for your organisation's audit are:

Reasons for increased or decreased audit hours compared to previous period *budgeted* hours:	2023	2024	2025
Changes to applicable accounting or financial reporting standards which result in additional audit work. • PBE FRS 48 *Service Performance Reporting* • PBE IPSAS 41 *Financial Instruments* • ISA (NZ) 315 (Revised 2019) *Identifying and Assessing the Risks of Material Misstatement*	78	-	-
Changes within your Council, or in its environment. • Increase in private equity investments. The valuation of these investments is a complex accounting estimate. • Increase in complexity in the accounting for capital expenditure and work-in-progress assets • Increases in the time to assess revaluations and fair value assessments.	94	-	-
Changes to legislation or regulations applicable to the entity which result in additional audit work. • New Plymouth District Council (Waitara Lands) Act 2018	23	-	-

Reasons for increased or decreased audit hours compared to previous period *budgeted* hours:	2023	2024	2025
Additional hours required for us to complete a high-quality public sector audit efficiently	14	-	-
Total increase (decrease) in audit hours	**209**	-	-

5.2 Other matters that may impact the scope of the audit and actual audit hours

There are several emerging reporting and auditing challenges in the sector that will potentially require additional audit effort and cost over the next three years. At this point the impact of these on your Council is unknown, so we have not included any allowance in our audit hours or fees. They include:

- The impact of extreme weather events;
- The impact of implementation of new legislation, including that relating to three waters reform, and/or Resource Management Act reforms;
- The impact of any climate reporting requirements, or Greenhouse Gas (GHG) performance measures;
- CCO performance measures related to climate change or GHG that are material to a group;
- Out of cycle, additional revaluations, including as a result of continued movements in property values and infrastructure construction costs;
- The impact of future growth of your Council, including changes within your Council's group structure; and/or
- Changes in the number of material measures, for example, new water loss measures.

Where costs related to these issues cannot be absorbed within the agreed fee, we will inform management and seek additional fee recoveries through our normal processes.

6 Proposed audit fees

Our proposed fees for the next three audits (compared to budgeted and actual data from the previous financial year) are:

Document Set ID: 9042350
Version: 2, Version Date: 18/09/2023

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

New Plymouth District Council and Group

Structure of audit fees	2022 budget $	2022 actual * $	2023 $	2024 $	2025 $
Net audit fee (excluding OAG Audit Standards and Quality Support charge and disbursements)	221,220	221,220	305,218	329,579	355,864
OAG Audit Standards and Quality Support charge	18,775	18,775	25,219	26,354	27,540
Total audit fee before discount	**239,995**	**239,995**	**330,437**	**355,933**	**383,404**
Less discount					
- Audit fee	-	-	(46,184)	(23,092)	-
- OAG ASQS charge	-	-	(3,816)	(1,908)	-
Total audit fee (excluding disbursements)	**239,995**	**239,995**	**280,437**	**330,933**	**383,404**
Estimated disbursements*	25,000	14,623	16,200	17,500	18,900
Total billable audit fees and charges	**264,995**	**254,618**	**296,637**	**348,433**	**402,304**
GST	39,749	38,193	44,496	52,265	60,346
Total (including GST)	**304,744**	**292,811**	**341,132**	**400,698**	**462,650**

These audit fees allow for the audit team to carry out specific tasks identified in the OAG Sector Brief and for the OAG Audit Standards and Quality Support charge.

*We have estimated the reasonable cost of disbursements (including travel and accommodation where necessary). Disbursement costs are indicative only and will be charged on an actual and reasonable basis.

Joint venture entities – per entity

Structure of audit fees	2022 budget $	2022 actual * $	2023 $	2024 $	2025 $
Net audit fee (excluding OAG Audit Standards and Quality Support charge and disbursements)	3,052	3,052	3,846	4,147	4,479

Document Set ID: 9042350
Version: 2, Version Date: 18/09/2023

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Structure of audit fees	2022 budget $	2022 actual * $	2023 $	2024 $	2025 $
OAG Audit Standards and Quality Support charge	245	245	309	323	338
Total audit fee (excluding disbursements)	**3,297**	**3,297**	**4,155**	**4,470**	**4,817**
Estimated disbursements	-	-	-	-	-
Total billable audit fees and charges	**3,297**	**3,297**	**4,155**	**4,470**	**4,817**
GST	495	495	623	671	723
Total (including GST)	**3,792**	**3,792**	**4,778**	**5,141**	**5,540**

6.1 Reasons for changes in audit fees

In table 5.1 we showed the factors that have resulted in a change of audit hours. The cost impacts of those changes are shown in the table below.

New Plymouth District Council and Group

Reasons for increased or decreased audit fees compared to previous period *budgeted* fees (excluding disbursements)	2023 $	2024 $	2025 $
Actual and predicted staff salary cost movements (based on the prior hours budgeted only)	30,444	25,496	27,471
Changes to applicable accounting or financial reporting standards which result in additional audit work. • PBE FRS 48 *Service Performance Reporting* • PBE IPSAS 41 *Financial Instruments* • ISA (NZ) 315 (Revised 2019) *Identifying and Assessing the Risks of Material Misstatement*	21,660	-	-

Document Set ID: 9042350
Version: 2, Version Date: 18/09/2023

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Reasons for increased or decreased audit fees compared to previous period *budgeted* fees (excluding disbursements)	2023 $	2024 $	2025 $
Changes within your Council, or in its environment. • Increase in private equity investments. The valuation of these investments is a complex accounting estimate. • Increase in complexity in the accounting for capital expenditure and work-in-progress assets. • Increases in the time to assess revaluations and fair value assessments.	26,473		
Changes to legislation or regulations applicable to the entity which result in additional audit work. • New Plymouth District Council (Waitara Lands) Act 2018	5,898		
Additional hours required for us to complete a high-quality public sector audit efficiently	5,967	-	-
Movement to discount to phase in audit fee increases	(50,000)	25,000	25,000
Total increase (decrease) in audit fees	**40,442**	**50,496**	**52,471**

We will share the cost of our audit with you each year. Should our costs come under the proposed fee we will invoice you for the lesser amount.

Joint venture entities – per entity

Reasons for increased or decreased audit fees compared to previous period *budgeted* fees (excluding disbursements)	2023 $	2024 $	2025 $
Actual staff salary cost movements offset by change in staff mix used.	858		
Predicted staff salary cost movements		315	347
Total increase (decrease) in audit fees	**858**	**315**	**347**

7 Assumptions relating to our audit fee

You are responsible for the production of the financial statements and anything else that must be audited. Our proposed audit fees are based on the assumption that:

Document Set ID: 9042350
Version: 2, Version Date: 18/09/2023

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

- you will provide to us, in accordance with the agreed timetable, the complete information required by us to conduct the audit;
- your staff will provide us with an appropriate level of assistance;
- your Council and group's annual report and financial statements (including Statements of Service Performance) will be subject to appropriate levels of quality review by you before being submitted to us for audit;
- your Council and group's financial statements will include all relevant disclosures;
- we will review **up to two** sets of draft annual reports, **one** printer's proof copy of the annual report, and one copy of the electronic version of the annual report (for publication on your website);
- there are no significant changes to the structure and/or scale of operations of the entities covered by this proposal (other than as already advised to us);
- there are no significant changes to mandatory accounting standards or the financial reporting framework that require additional work (other than as specified in tables 5.1 and 6.1);
- there are no significant changes to mandatory auditing standards that require additional work other than items specifically identified in the tables above; and
- there are no significant changes to the agreed audit arrangements (set out in the audit plan) that change the scope of, timing of, or disbursements related to, this audit.

If the scope changes and/or the amount of work we do increases, we will discuss this with you and potentially seek additional fees from you. The Office of the Auditor-General will be monitoring these recoveries to ensure that they are reasonable.

8 What the OAG Audit Standards and Quality Support charge provides

Parliament has indicated that it expects the cost of annual audits under the Public Audit Act (including an OAG Audit Standards and Quality Support charge) to be funded by public entities.

The OAG Audit Standards and Quality Support charge partially funds a range of work that supports auditors and entities, including:

- development and maintenance of auditing standards;
- technical support for auditors on specific accounting and auditing issues;
- ongoing auditor training on specific public sector issues;
- preparation of sector briefs to ensure a consistent approach to annual audits;

Document Set ID: 9042350
Version: 2, Version Date: 18/09/2023

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

- development and maintenance of strategic audit plans; and
- carrying out quality assurance reviews of all auditors, and their audits and staff on a regular (generally, three-year) cycle.

Appointed Auditors are required to return the OAG Audit Standards and Quality Support charge portion of the audit fee, to the OAG.

9 Certifications required by the Auditor-General

We certify that:

- the undertakings, methodology, and quality control procedures that we have declared to the OAG continue to apply;
- our professional indemnity insurance policy covers this engagement; and
- the audit will be conducted in accordance with the terms and conditions of engagement set out in the audit engagement agreement and schedules.

10 Conclusion

As the Appointed Auditor, I am committed to providing you and the Auditor-General with the highest level of professional service. I intend to work with you, the OAG, and the Auditor-General in a partnership environment to resolve any issues that may arise.

If you require any further information, please do not hesitate to contact me.

Please counter-sign this letter (below) to confirm that you, and the governing body of your organisation, agree with its contents. Please return a copy of the signed letter for our records to confirmationscentral@auditnz.parliament.nz and cc me at debbie.perera@auditnz.parliament.nz

This letter will then form the basis for a recommendation to the Auditor-General on the audit fee that should be set. The schedules of audit hours and fees will also be incorporated into my audit engagement agreement with the Auditor-General to carry out the audit of your organisation as the agent of the Auditor-General.

Nāku noa, nā

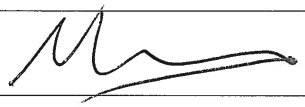


Debbie Perera
Appointed Auditor

Document Set ID: 9042350
Version: 2, Version Date: 18/09/2023

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

I accept the audit fees for the audit of the three financial years as stated above.

Full name:	Neil Holdom	Position:	Mayor
Authorised signature:		Date:	13/9/23
Entity name:	New Plymouth District Council		

Document Set ID: 9042350
Version: 2, Version Date: 18/09/2023

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

RISK MANAGEMENT UPDATE AUGUST 2025

PURPOSE/ TE WHĀINGA

1. This report provides an update of risk management activities for monitoring and review purposes.

RECOMMENDATION / NGĀ WHAIKUPU

That, having considered all matters raised in the report, the report be noted.

SIGNIFICANCE AND ENGAGEMENT / TOHUTOHU KAI WHAKAHAERE

2. This report is provided for information purposes only, and has been assessed as being of some importance.

EXECUTIVE SUMMARY / WHAKARĀPOPOTOTANGA MATUA

3. This report provides an update on Council's strategic and organisational risks, aligned with the Long-Term Plan 2024–2034. Key changes include refined risk descriptions, updated controls, and the consolidation of corporate risks into strategic risks.

4. Risk ratings have escalated in areas such as governance, Treaty principles, and mana whenua relationships, reflecting the heightened sensitivity around it being an election year and the Māori ward referendum.

5. Appendix 1 presents the updated Strategic Risk Register, incorporating emerging risks such as artificial intelligence, misinformation, and geopolitical instability.

6. Appendix 2 outlines high residual organisational risks across key operational areas including cybersecurity, financial integrity, emergency preparedness, and water infrastructure. These risks remain above Council's risk appetite and require ongoing mitigation and monitoring.

7. Appendix 3 provides a focused update on the New Zealand gas market and its implications for NPDC. Declining national supply, rising costs, and contract volatility pose material risks to Council's financial sustainability and operational resilience. A Gas Transition Plan has been developed to guide mitigation efforts and support long-term energy planning.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

BACKGROUND / WHAKAPAPA

8. Following Council's adoption of the Risk Management Framework on 10 December 2024, this report outlines developments since the last update. Risk assessments have been conducted using ISO 31000 standards, with workshops and consultations ensuring alignment with organisational priorities.

Strategic risks

9. Strategic risks have been updated to reflect current pressures. Descriptions now clearly articulate causes and impacts, and controls have been expanded to address emerging threats. Examples are as follows:

    a) **Governance Risk**: Elevated due to election-related decision-making pressures.

    b) **Treaty Principles Risk**: Updated to reflect extreme impact ratings and the importance of mana whenua engagement.

    c) **Financial and Economic Risk**: Now includes external geopolitical factors and emergency funding needs.

10. Appendix 1 provides the full Strategic Risk Register as of July 2025.

Organisational risks

11. Organisational risks have been refreshed to ensure relevance, consistency and has the appropriate level of detail.

12. Appendix 2 outlines key organisational risks that remain above Council's risk appetite despite existing controls. These risks span digital security, financial integrity, workforce capability, emergency preparedness, and infrastructure resilience.

    a) Cybersecurity: Persistent threats to data protection and system integrity require ongoing investment in digital resilience and staff awareness.

    b) Financial Integrity: Risks of fraud and financial mismanagement are mitigated through audits and governance but remain high.

    c) Workforce Capability: Skills shortages and succession gaps impact service delivery and strategic alignment.

    d) Emergency Preparedness: Coordination and readiness for large-scale events need strengthening despite established frameworks.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

e) Three Waters Infrastructure: Risks include aging assets, compliance challenges, and climate-related vulnerabilities across drinking water, wastewater, and stormwater systems.

f) Planning and ICT Transformation: Regulatory compliance and technology upgrades carry risks of disruption, legal exposure, and reputational harm.

g) Climate and Growth Management: Council faces challenges adapting to climate change and managing infrastructure demands from growth.

13. These risks are actively monitored, with further treatments underway to reduce exposure and improve resilience.

Emerging risks

14. Appendix 3 outlines the emerging risk posed by New Zealand's declining natural gas supply and its implications for NPDC. Rising energy costs, contract volatility, and supply uncertainty present material risks to operational resilience and financial sustainability—particularly for high-use facilities such as the wastewater treatment plant, aquatic centre and district pools.

15. A Gas Transition Plan has been developed to guide NPDC's shift toward alternative energy sources, including electrification and renewable integration. This risk aligns with Strategic Risks 3, 6, 10, and 11, and will be monitored through quarterly reporting to the Finance, Audit and Risk Committee.

CLIMATE CHANGE IMPACT AND CONSIDERATIONS / HURINGA ĀHUARANGI

16. Council's Strategic Framework identifies Sustainability (nurturing our environment, mitigating our impact, and adapting to climate change) as a community outcome and goal.

17. The implications to Council of its risks that have climate change impacts are recorded in the corporate risk module of Pinnacle. The management of climate change related risks with a high residual risk rating (or any rated extreme now or in the future) and risks of strategic importance are routinely provided to the Finance, Audit and Risk Committee as part of risk management update reports for monitoring and assurance purposes.

18. Council has been working on identifying and analysing climate risks to the organisation and its community assets. This work is ongoing and is reflected in the strategic risk in Appendix 1.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

NEXT STEPS / HĪKOI I MURI MAI

19. Next steps are to finalise the Team Risk Registers. Team risk registers will identify risks that may not have an organisational impact but could affect team objectives. While these risks will be managed by the teams as part of their business-as-usual activities, relevant risks (e.g., risks with a high residual risk rating, ineffective controls or are emerging) will still be reported to the Finance, Audit, and Risk Committee.

FINANCIAL AND RESOURCING IMPLICATIONS / NGĀ HĪRAUNGA Ā-PŪTEA, Ā-RAUEMI

20. Any financial and resourcing implications resulting from risk mitigation measures that are outside staff delegations will be reported and require approval from the Council before being incurred. No such implications have been identified to date.

IMPLICATIONS ASSESSMENT / HĪRANGA AROMATAWAI

21. This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:
    - Council staff have delegated authority for any decisions made;
    - Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
    - Any decisions made are consistent with the Council's plans and policies; and
    - No decisions have been made that would significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

APPENDICES / NGĀ ĀPITIHANGA

Appendix 1 Strategic Risks August 2025 (ECM 9537986)

Appendix 2 Organisational Risks August 2025 (ECM 9537987)

Appendix 2 Emerging Risk – Gas Market Update (ECM 9537989)

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Report Details

Prepared By:	Gloriana Wilson (Risk and Assurance Advisor)
Team:	Risk, Safety and Wellbeing
Reviewed By:	Fleur Corlett (Risk, Safety and Wellbeing Lead)
Approved By:	Helen Gray (Integrity and Innovation Manager)
Ward/Community:	District-wide
Date:	15 July 2025
File Reference:	ECM 9537988

----------End of Report ----------

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

STRATEGIC RISKS AUGUST 2025

Key Council objectives

Council should:

- Act as kaitiaki/intergenerational guardian for our district – protecting the community, taonga, environment, democracy, and assets.
- Design and deliver services that support the four wellbeing pillars (social, economic, environmental, and cultural) across the district in a way that is effective, efficient, sustainable, legally compliant, and measurable through realistic Long-Term Plan Key Performance Indicators.
- Build partnerships – with tangata whenua and other key partners such as Central Government agencies.
- Make this a better place – grow public wealth and support a prosperous community.
- Advocate for Taranaki nationally and globally.

Opportunities

- Adapting our approach to engagement with our diverse community, gaining more creative and diverse ideas through modern communication methods. Being bold and innovative, while balancing political and personal risk, when seeking community feedback on its needs and wants. There's a need for more regular and personal contact with the community when seeking feedback.
- Challenging economic conditions force us to rethink about how we can operate financially more effectively and efficiently and deliver more or the same with less e.g. leveraging off the PIF, CCO performance, and accessing Central Government funding when it makes sense to do so. A continuous improvement focus.
- The changing face of NPDC. Central Government reforms and the Future for Local Government review outcomes require a rethink of what Council delivers via Long-Term Plans. This will ensure a robust and enduring strategy to drive a reshaped organisation supported by the right processes, and technology and tools. This involves building leadership capability via the Learning and Development Framework and implementing an Attraction Strategy (Employee Value Proposition) and Wellbeing Strategy to optimise talent recruitment and retention in a competitive market. It also needs tangible action on staff engagement survey findings and building the organisation's culture to improve the delivery of services to our community and improving the alignment of individual performance goals with the Corporate Plan.
- The need to build more robust and trusted partnerships with tangata whenua and all key partners. This will help to lower transaction costs and improve performance.
- Transforming our economy to a low emissions future and advocating/driving economic growth for the region (Team Taranaki). Increasing economic development grows the community's standard of living.
- Building back better when recovering from a widespread damaging event caused by the impacts of climate change and other natural disasters. Factoring resilience into asset management decisions and practices.

Strategic risks that could prevent the achievement of Council's objectives

For ease of reference each risk is numbered but is in no particular order. Some of the risks have more than one type associated with them, but generally the risks are assigned to a 'primary' type rather than duplicated.

The intention is that the focus should be on the residual risk and whether it is acceptable based on Council's risk appetite. If not acceptable, then additional treatments and timing are noted (when known) that are designed to reduce the risk to as low as reasonably practicable within existing resourcing. If the implementation of treatments is to be accelerated to reduce the residual risk to within risk appetite sooner, then the allocation of more resources may be needed.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Strategic Risk 1 **Environmental Risk** Environmental and Sustainability Planning and Strategy	1. **Environmentally Damaging Event**: An environmentally harmful incident occurs. **Root Causes**: • Council action or inaction, competing priorities, limited resources, or misaligned strategic focus. **Impact**: Reputational, financial, environmental, health, and safety consequences.	**Extreme** **Likelihood: Likely** **Consequence: Catastrophic**	**Risk 1: Environmentally Damaging Event** • **Incident Response Plans**: Robust compliance systems and a dedicated Three Waters compliance team. • **Dam Safety Management**: Compliance work on flood detention dams under Dam Safety Regulations 2022. • **Annual Safety Inspections**: Regular monitoring, inspections, and remedial action. • **Environmental Damage Response**: Proactive incident reporting and justifiable remedial cases. • **Spill Containment Kits**: Spill containment resources across parks and fleet vehicles.	**High** **Likelihood: Unlikely** **Consequence: Catastrophic**	**For Risk 1:** **Projects**: There are currently multiple projects in the Long-Term Plan that will assist in the mitigation of this risk. This includes but is not limited to: Fish Screening Project, Landfill Erosion Project, Mangati Pump Station Project and West Quay Pump Station Project. **Ongoing Dam Management**: Continued development of safety management systems for compliance with evolving regulations. **Establish and maintain a Disaster Recovery Reserve:** Dedicated financial mechanism to support rapid recovery and continuity of critical services following major disruptions. This will support a reduction on reliance on external funding and mitigate impacts from emergency events, delivery partner failures, and insufficient preparedness.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Strategic Risk 2 **Health, Safety and Wellbeing Risk** Health, Safety and Wellbeing	There is a risk of Council operations not complying with Health and Safety legislative requirements and duties under the health and safety at Work Act 2015, for employees, contractors, volunteers and public in workplaces and public spaces operated by council resulting in unsafe working environment. **Root Causes:** • Council action or inaction, inadequate safety measures, insufficient training, under reporting of near misses/incidents, mismanagement of hazards and critical risks, inadequate processes, lack of engagement with H&S. **Impact:** • Health, safety and wellbeing, reputational, and financial consequences, including potential loss of life, serious injury/permanent disability, legal implications/prosecutions and difficulty retaining staff.	**Extreme** **Likelihood: Likely** **Consequence: Catastrophic**	**HSW Framework & Strategy:** • Promotes a structured approach to Health and safety management across the organisation and clear objectives. • H&S executive and functional committees. • Quarterly reporting to Council officers. • Continuous review of legislative updates. • Organisational policies and procedures are regularly reviewed and circulated. **Contractor management:** • Comprehensive contractor pre-qualification processes verified by third party accredited providers, and site inductions. H&S contractor agreement. Safety conversations, site visits and audits as well as contractor review meetings. **Competencies and training:** • Identifies H&S competencies and training required to manage H&S practices effectively. • The implementation of several health and safety training courses **Hazard and risk management:** • Adherence to codes of practice, hazard and risk identification and management system, standard operating procedures. • Annual injury reduction targets. • Development of the Health Risk assessment protocols that includes health exposures. • Ongoing assessment of injury management practices through the ACC AEP audit process. **Wellbeing Initiatives:** • Offer comprehensive wellbeing calendar and mental health support and include strategies for managing workplace stress. • Inclusion of the psychological harm reporting template to categorise where mental health has been impacted. **People at the centre:** • Cultivate a safety culture where staff feel empowered to report H&S concerns. • Learning from incidents to prevent recurrence and share lessons with wider organisation.	**High** **Likelihood: Unlikely** **Consequence: Catastrophic**	**Critical Risk Deep Dive Audit Programme:** Continue and complete the current deep dive audits on critical risks. **Health Risk Assessments:** Finalise ongoing health risk assessments to ensure comprehensive risk management. **Online Training:** Complete the implementation of online training modules to enhance H&S capability, education and compliance. **Implementation of Deloitte Review Recommendations:** Complete the outstanding Deloitte Health and Safety review recommendations by Q3 2024/25 **Standardising Safety Processes:** Gain consistency across council with the implementation of the assurance standard to support regular auditing, monitoring and review of H&S practices within functions and sites. **Implement Human and organisation performance principles.** Understanding "work as done" and gaining assurance risks are being managed. **Strengthening Compliance with ACC AEP Audit Standards:** Addressing expectations and evolving standards associated with the ACC Accredited Employers Programme (AEP) audit, the organisation will implement a proactive compliance and continuous improvement framework. This includes regular internal reviews against the latest AEP audit criteria.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Strategic Risk 3 **Emergency Preparedness Risk** Environmental and Sustainability Planning and Strategy Operations and Service Delivery	1. **Emergency Events**: Disruptions caused by extreme weather events, natural disasters, fires, chemical spills, or malicious actions. 2. **Delivery Partner Failures**: Service interruptions due to the failure of a key delivery partner. 3. **Insufficient Preparedness**: Council's limited readiness to respond and recover effectively. **Root Causes** • Inadequate planning or preparation. • Insufficient training, resources, or communication. • Lack of coordination with key delivery partners. **Impact** • Prolonged unavailability of critical services. • Reputational, financial, health, and safety consequences.	**High** **Likelihood: Likely** **Consequence: Major**	**Risk 1: Event Response Failure** • **Emergency Operations Centre (EOC)**: Established at TSB Stadium in 2018, using the Co-ordinated Incident Management System (CIMS) for Civil Defence and business continuity, supported by a maintained CIMS-trained staff and volunteer database. • **Enhanced Capacity**: Increased controllers and recovery managers post-organisational transformation. • **Incident Management Protocols**: Developed and regularly tested to ensure readiness. **Risk 2: Prolonged Service Disruption** • **Business Continuity Plans (BCP)**: Reviewed in 2024, ensuring service continuity during disruptions. • **Group Plan Development**: Ongoing work to identify and prioritise critical routes regionally. • **Community Volunteer Training**: Active recruitment and training initiatives to bolster emergency response. • **Insurance Coverage**: Comprehensive coverage reduces reliance on ratepayers and ensures funding for recovery efforts. • **Incident Compliance**: Robust monitoring under Three Waters, with approved Water Safety Plans and Drinking Water Supply Safety Quality Systems ensuring compliance with the Water Services Act. • **Marae Capability Support**: Collaboration with Ngā Iwi o Taranaki strengthens community emergency response capacity. • **Risk Assessment**: Continual evaluation to address preparedness gaps and align response capabilities with emerging risks. **Risk 3: Insufficient Preparedness** • **Emergency Operations Centre (EOC)**: As detailed under Risk 1, supports readiness through CIMS and an updated volunteer database. • **Expanded Capacity**: Strengthened controllers and recovery managers post-organisational changes. • **Business Continuity Plans (BCP)**: Addressed under Risk 2, ensuring operational effectiveness. • **Regional Priority Routes**: Group Plan work underway to improve preparedness.	**Medium** **Likelihood: Unlikely** **Consequence: Major**	**Establish and maintain a Disaster Recovery Reserve:** Dedicated financial mechanism to support rapid recovery and continuity of critical services following major disruptions. This will support a reduction on reliance on external funding and mitigate impacts from emergency events, delivery partner failures, and insufficient preparedness.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Strategic Risk 3 Environmental and Sustainability Planning and Strategy Operations and Service Delivery	**Emergency Preparedness Risk Continued**	High **Likelihood: Likely** **Consequence: Major**	• **Community Volunteer Engagement**: Reinforced training programs as outlined in Risk 2. • **Insurance Preparedness**: As noted in Risk 2, robust coverage ensures financial readiness. • **Regulatory Compliance**: Three Waters monitoring ensures adherence to the Water Services Act. • **Marae Emergency Response**: Collaborations enhancing resilience, consistent with Risk 2 controls.	Medium **Likelihood: Unlikely** **Consequence: Major**	

.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Strategic Risk 4 **Regulatory and Legislative Risk** Governance and Reputation Legislative Compliance and Control	1. **Breach of Legislation**: Failure to adhere to legal obligations due to flawed internal processes. 2. **Failure to Meet Regulatory Standards**: Inability to comply with critical standards, jeopardising operations and credibility. **Root Causes** • Ineffective internal processes and controls. • Lack of regular compliance monitoring. • Insufficient staff training or awareness of legislative and regulatory requirements. **Impact** • Legal challenges and penalties. • Intervention from Central Government. • Loss of accreditation or operational certifications. • Significant reputational damage.	**High** **Likelihood: Possible** **Consequence: Major**	**Risk 1: Breach of Legislation** • **Financial Controls**: Strong control environment for financial systems, insurance, and financial monitoring. Qualified personnel and audit recommendations strengthen controls. • **Policies and Training**: Comprehensive policies, procedures, and training supported by internal and external resources. Annual external audits, ACC Partnership Programme audits, and internal audits ensure compliance. Legislative updates through legal advice, conferences, and memberships. Non-compliance reporting conducted quarterly. • **Documentation and Processes**: Documented procedures aligned with the information management strategy. Supported by regular internal audits, staff training, team collaboration, and quality assurance processes. • **Consent Data Monitoring**: Monitoring of consent data informs planning. Staff trained on legislative changes. • **Compliance Audits**: Regular audits for Building Consent Authority and Food Act compliance, aligned with the Quality Management System. **Risk 2: Failure to Meet Regulatory Standards** • **Procurement Management**: Procurement plans developed and used according to the Procurement Manual. Project managers trained to create and implement plans effectively. • **Documented Procurement Process**: Procurement processes documented and aligned with the Procurement Manual. Supported by staff training. • **Approvals Process**: Documented and mapped approvals process established. Ongoing training ensures effective implementation. • **Contract and Procurement Reviews**: Internal audits on contract management and procurement conducted. Positive audit results from Waka Kotahi investment assurance work. • **Election Process Oversight**: Election process outsourced to Independent Election Services Limited under the supervision of the Governance Manager.	**Medium** **Likelihood: Unlikely** **Consequence: Major**	Many of the current treatments are ongoing activities, especially those relating to providing assurance that controls are effective. The outcomes of those activities will continue to be reported at relevant governance forums. This will be supplemented by activities that will flow from the Corporate Assurance Framework. **EMERGING RISK:** In addition to existing compliance and audit mechanisms, the Council recognises an emerging risk associated with the Regulatory Standards Bill, particularly around the capacity of local resourcing to meet new legislative demands.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Strategic Risk 5 **Human Resource Risk** Governance and Reputation People and Knowledge	1. **Staffing Shortages**: Insufficient staffing and skills undermine the ability to deliver essential services effectively. 2. **Resource Constraints**: Limited resources impede optimal service delivery and organisational performance. **Root Causes** • Inadequate staff recruitment and retention strategies. • Insufficient training and professional development opportunities. • Ineffective resource allocation processes. • Lack of balance between quality and quantity of staff. **Impact** • Service disruptions and reduced service levels • Inefficiencies resulting in increased supervision requirements • Community dissatisfaction and loss of trust. • Potential legal challenges and liabilities. In addition to service disruptions and reduced service levels, there is a growing concern about the **balance between the quality and quantity of staff**. Recruiting more staff is not sufficient if they lack the necessary skills, experience, or cultural alignment. Poor quality staffing can lead to inefficiencies, increased supervision requirements, and reputational damage.	**Extreme** **Likelihood: Almost Certain** **Consequence: Catastrophic**	**Risk 1: Staffing Shortages** • **Workforce Planning & Succession:** Frameworks support talent attraction, retention, and continuity in critical roles. • **Strategic Vacancy Management:** Prioritising key roles to ensure the right talent is recruited. • **Service Level Alignment:** Reviewing staffing levels against community expectations and organisational capacity. • **Employee Engagement:** Implementing survey-driven action plans to boost morale and retention. • **Learning & Development:** Strengthened strategy enhances onboarding, systems training, and leadership capability. • **Agile Workforce Planning:** Monitoring government reforms to ensure responsive and future-focused planning. • **Training & Onboarding:** Documented processes and professional development build staff capability. • **Knowledge Sharing:** Cross-training mitigates silos and strengthens operational resilience. • **Retention Strategies:** "Our People Package" improves engagement and staff benefits. • **HR Frameworks:** Policies and procedures supported by automation and a dedicated Talent Advisor. Risk 2: Resource Constraints • **Reform Collaboration:** Working with neighbouring councils to coordinate reform initiatives. • **Stakeholder Monitoring:** Engaging with Taituarā, LGNZ, and government to track reform impacts. • **Performance Monitoring:** Regular KPI tracking ensures resource alignment with strategic goals. • **Reporting Frameworks:** Quarterly and annual reporting identifies gaps and supports accountability.	**Medium** **Likelihood: Unlikely** **Consequence: Major**	**Employee Engagement and Development:** Implement outcomes from the annual staff engagement survey to develop Organisational and Team Action Plans. **Recruitment and Learning Initiatives:** Strengthen the Learning & Development strategy to enhance induction, systems training, and leadership development.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Strategic Risk 6 **Technology and Cybersecurity Risk** Information Management Governance and Reputation	1. **Inadequate Technology and Tools**: Outdated or insufficient technology and tools hinder the effective delivery of Council services. 2. **Cybersecurity Vulnerabilities**: Weak cybersecurity arrangements increase the risk of significant cyber incidents and data breaches. **Root Causes** • Outdated systems. • Lack of investment in modern technology and tools. • Insufficient cybersecurity protocols and monitoring. **Impact** • Disruptions to the delivery of Council services. • Poor customer service outcomes and reduced satisfaction. • Community discontent and loss of trust. • Potential data breaches with legal and reputational consequences. • Inability to meet legislative timeframes (e.g., consents)	**Extreme** **Likelihood: Almost Certain** **Consequence: Catastrophic**	**Risk 1: Inadequate Technology and Tools** • **Vendor and Third-Party Risk Management**: Active management of vendor relationships with annual contract reviews to ensure alignment and performance. Security audits and penetration testing conducted on critical third-party vendors and contractors with access to sensitive data and systems. • **Computing Environment Upgrades**: The computing environment updated as part of the Pakiaka Project, with a five-year renewal policy and funding in place for equipment updates. Dual data centres implemented in New Plymouth and Hamilton to enhance resilience, mitigating impacts from localised events such as fires or floods. • **Disaster Recovery Planning and Backup Systems**: End-to-end processes in data centres mapped and regularly tested for effective disaster recovery. Full back up capabilities in place, with proactive system monitoring to ensure data integrity and security. Backups securely stored off-site in dual data centres. Disaster recovery plans tested for resilience, including data restoration and recovery processes. • **Asset Management and Data Collection**: Near-complete, high-quality asset inventory data informs renewal budget forecasts where condition rating data is unavailable. CCTV inspections of stormwater assets reintroduced in the 2020/21 Annual Plan, addressing major data gaps. Preventive maintenance initiatives include asset management plans and regular inspections. **Risk 2: Cybersecurity Vulnerabilities** • **Digital Security Oversight**: Managed by the Digital Enablement Manager. Security consultants audit new websites and conduct penetration testing. IS standards are reviewed and aligned with technology changes, ensuring alignment with the NPDC-selected framework. Annual external audits ensure best practices and industry standards are applied.	**High** **Likelihood: Unlikely** **Consequence: Catastrophic**	**TechOne Upgrade:** Formal engagement with Technology One began on 6th March 2024. Existing reports are being reviewed and audited to refine them and minimise unnecessary work during the lift and shift process. **Data Centre Failover Testing:** Due to complexity, a complete failover to the remote data centre has not yet been implemented. Singular components have been tested in isolation to ensure they perform well individually before testing them all together. **Asset Management Software:** The use of an asset management software system is being considered to allow data to be directly entered via mobile devices during field inspections, avoiding data transcription errors introduced by double handling. **Security Program:** The need for improved security, standards, policies, and guidelines for the Council has been identified. A security program has been initiated to align Council with industry best practices, including measures to counter malware and phishing attacks. **Cyber liability insurance coverage.** Provides financial protection and risk transfer in the event of a cyber incident. Acts as a control to mitigate the impact of data breaches, system compromises, and other cyber threats by supporting recovery costs, legal liabilities, and reputational damage.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Strategic Risk 6 Information Management Governance and Reputation	**Technology and Cybersecurity Risk Continued**	**Extreme** **Likelihood: Almost Certain** **Consequence: Catastrophic**	• **Cybersecurity Training and Incident Response**: Mandatory staff training provided (e.g., phishing training), alongside deployment of Microsoft Defender for Identity. A clear incident response plan for cyber threats is implemented, detailing roles, responsibilities, and escalation processes. Compliance audits by Audit NZ ensure adherence to security policies and regulations such as the Privacy Act and Cybersecurity Act. • **Access Management Controls**: Secure password policy and robust authentication practices, including multi-factor authentication, are enforced across all systems and users. • **Continuous Monitoring**: 24/7 monitoring for key systems and data in place to detect and respond to anomalies in real time. Automated tools for vulnerability scanning and patch management promptly address system vulnerabilities.	**High** **Likelihood: Unlikely** **Consequence: Catastrophic**	**EMERGING RISK:** AI has been identified as an emerging risk, particularly in relation to data privacy, misinformation, and automated decision-making.

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Strategic Risk 7 **Governance Risk** Governance and Reputation	Frequent changes in the political environment at Local and Central Government levels lead to short-term and reactive decision-making, complicating the management of competing interests and priorities. **Root Causes:** • Shifting political priorities. • Lack of long-term policy consistency. • High turnover of key decision-makers. • Pressure to address competing stakeholder demands. **Impact:** • Difficulty in setting and achieving long-term goals. • Inefficient resource allocation. • Erosion of public trust in governance. • Increased operational disruptions for Council services.	**High** **Likelihood: Likely** **Consequence: Major**	**Election Process Management:** • Election process outsourced to Independent Election Services Limited, with oversight by the Governance Lead. **Induction Program for Elected Members:** • Comprehensive induction program provided to new Elected Members each triennium, focusing on roles of management and governance. • Program fosters trust, mutual respect, and a "no surprises" approach, supported by a strong organisational culture and core values. **Reporting and Decision Support:** • Delivery of timely, accurate, and actionable reports to empower decision-makers. Clear metrics and simplification of complex information, supporting confident and strategic choices. Regular updates track risks, impacts, and performance trends, fostering transparency and accountability with stakeholders and the community.	**High** **Likelihood: Possible** **Consequence: Major**	• Council is reinforcing the importance of accurate, timely, and transparent information to support decision-making. • Standing Orders and a Code of Conduct are being emphasised to ensure governance remains consistent, respectful, and legally compliant during periods of political change. • These measures aim to reduce the risk of reactive or short-term decision-making and maintain public trust.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Strategic Risk 8 **Treaty Principles Risk** Governance and Reputation Operations and Service Delivery Planning and Strategy	1. **Failure to Recognise Tangata Whenua Significance**: Council's processes fail to identify and address matters of importance to tangata whenua. 2. **Challenges Upholding Treaty Principles**: Inadequate engagement and consideration result in difficulty upholding the principles of the Treaty of Waitangi. **Root Causes** • Lack of robust engagement frameworks and processes. • Insufficient understanding or prioritisation of tangata whenua concerns. • Resource constraints impacting meaningful collaboration. **Impact** • Strained relationships with tangata whenua. • Breach of obligations under the Treaty of Waitangi. • Reputational damage and loss of trust within the community. • Legal or procedural challenges arising from inadequate consultation. • Loss of trust and missed opportunities to co-design solutions with mana whenua. • Delays to projects, increased costs, and strained relationships that take years to rebuild.	**Extreme** **Likelihood: Almost Certain** **Consequence: Major**	**Risk 1: Failure to Recognise Tangata Whenua Significance** • **Significance and Engagement Policy**: Outlines how NPDC determines the significance of issues and the required level of engagement with Iwi-Māori and stakeholders. Ensures consistent involvement of mana whenua in decision-making through meaningful opportunities for contribution, engagement on matters affecting their relationship with ancestral land, water, taonga, and traditions, and consideration of other relevant issues. • **Legislative Requirements**: The Local Government Act 2002 and Resource Management Act 1991 mandate mana whenua participation in decision-making processes. • **Māori Committees**: Various committees, including Te Rewarewa working group, He Puna Wai, and Te Huinga Taumatua, integrate mana whenua perspectives into Council work. • **Iwi Relationships Team**: Facilitates communication and builds partnerships to ensure mana whenua have a strong voice in Council decision-making, supported by early engagement with tangata whenua to enhance understanding of issues and opportunities. **Risk 2: Challenges Upholding Treaty Principles** • **Te Ranga Urungi Engagement**: Quarterly meetings with Iwi Chairs and participation from Iwi and Hapū Chairs. Iwi representation included in all significant regional projects. • **Te Tiriti Strategy and Audit**: Adoption of the Te Tiriti Strategy in 2024 and completion of a Tiriti o Waitangi Audit in March 2025, with findings to be reported back to FAR.	**High** **Likelihood: Likely** **Consequence: Moderate**	Training is being rolled out to improve staff understanding of Te Tiriti o Waitangi and mana whenua engagement. Conflict of interest processes are being strengthened to ensure transparency and fairness in decision-making.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Strategic Risk 9 **Strategic Projects Risk** Project/Quality Management Planning and Strategy Property and Assets	1. **Four Pillars of Project Completion**: Major projects fail to meet key objectives related to time, scope, budget, or benefits, leading to incomplete or unsatisfactory outcomes. 2. **Planning and Consent Delays**: Insufficient or delayed planning processes, consent approvals, or property acquisition impact project timelines and execution. 3. **Supply Chain Disruptions**: Global or local supply chain issues hinder the availability of resources and materials required for timely project delivery. 4. **Stakeholder Alignment**: Political fallout, stakeholder conflicts, or misaligned priorities undermine effective project implementation and completion. **Root Causes** • Poor planning processes and unrealistic timeframes or scopes. • Delays in obtaining consents and acquiring necessary properties. • Unforeseen supply chain disruptions causing resource shortages. • Stakeholder misalignment and conflicts • Insufficient contract management capability • Misinformation and disinformation **Impact** • Failure to deliver projects within agreed timeframes, budgets, or scopes. • Reduced ability to achieve intended project benefits. • Financial losses and budget overruns. • Reputational damage and erosion of public trust.	**High** **Likelihood: Likely** **Consequence: Major**	**Risk 1: Four Pillars of Project Completion** • **Project Management Practices**: Robust frameworks for project scoping, budget definition, contingency planning, and risk mitigation to ensure alignment with time, scope, budget, and benefit objectives. • **Project Budget Classification**: Adoption of a class 1-5 budget system with peer reviews for major projects, ensuring only class 1 and 2 budget projects are prioritised for inclusion in the Long-Term Plan. • **Contingency Management**: Standardised contingency-setting processes, supported by a contingency calculator database to improve forecasting and cost control. • **Early Contractor Involvement (ECI)**: ECI approaches introduced to incorporate contractor input in the early stages of projects, enhancing feasibility and design accuracy. **Risk 2: Planning and Consent Delays** • **Governance Oversight**: Strategic Projects Committee provides oversight, supported by internal Project Steering Groups and Project Lead roles to manage portfolios and address planning challenges. • **Assurance and Reporting Frameworks**: Enhanced CAPEX forecasting and reporting systems implemented, with Deloitte's report confirming progress toward a well-controlled project environment. • **Property Acquisition Processes**: Streamlined property acquisition workflows established to minimise delays affecting project timelines. **Risk 3: Supply Chain Disruptions** • **Supply Chain Resilience**: Collaboration with suppliers and contractors to identify vulnerabilities and establish mitigation strategies for global and local disruptions. • **Risk Mitigation Frameworks**: Comprehensive frameworks for risk assessment and supply chain oversight, ensuring minimal impact on resource availability.	**High** **Likelihood: Possible** **Consequence: Major**	• The Project Management Office will undertake more pre-planning over major capital projects to enable more robust cost estimates in future Long-Term Plan processes. • A more robust Procurement Strategy is being implemented, supported by internal audits and cross-functional working groups.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Strategic Risk 9 Project/Quality Management Planning and Strategy Property and Assets	**Strategic Projects Risk Continued**	**High** **Likelihood: Likely** **Consequence: Major**	• **Vendor and Third-Party Management**: Annual contract reviews, security audits, and penetration testing conducted for vendors and contractors with critical roles in projects. **Risk 4: Stakeholder Alignment** • **Stakeholder Engagement Strategies**: Early engagement with stakeholders, including political actors, to align priorities and mitigate conflicts. • **Project Portfolio Management (P3M)**: Utilisation of P3M software disciplines to improve visibility and foster alignment across monthly reporting and decision-making processes. • **Governance and Collaboration**: Strong governance structures with collaborative oversight to address stakeholder misalignment and manage competing priorities.	**High** **Likelihood: Possible** **Consequence: Major**	

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Strategic Risk 10 **Financial and Economic Risk** Financial and Economic Legislative Compliance and Control	1. **Escalating Costs and Overspending**: Increased operational and capital costs, coupled with budget overspends, place strain on Council resources. 2. **Insufficient Financial Reserves**: Limited reserves reduce Council's capacity to manage financial shocks or unplanned expenditures. 3. **Fraud and Corruption Risks**: Acts of fraud or corruption compromise financial integrity and trust. 4. **Unfunded Mandates**: Mandates without adequate funding exacerbate financial strain and resource limitations. **Root Causes** • Ineffective financial planning and cost controls. • Unanticipated external economic pressures or mandates. • Gaps in fraud detection and mitigation processes. **Impact** • Rate increases causing financial stress and community dissatisfaction. • Heightened risk of fraud undermining Council's reputation and financial integrity. • Limited funding for essential services and future projects, threatening sustainability. • Reputational damage and loss of public trust due to financial mismanagement.	**Extreme** **Likelihood: Almost Certain** **Consequence: Catastrophic**	**Risk 1: Escalating Costs and Overspending** • **Operational Budget Controls**: Strong controls over operational budgets enforced through regular reporting and detailed analysis to ensure financial discipline. • **Capital Works Reporting**: Heightened focus on capital works reporting due to previous challenges with project completion, ensuring accurate tracking and oversight. • **Budget Monitoring and Controls**: Regular budget forecasting and updates on capital works provide tight monitoring to prevent overspending. **Risk 2: Insufficient Financial Reserves and Borrowing Capacity** • **Financial Reserves Management**: Asset Management Plans for each category reviewed regularly to ensure adequate renewal funding. Reserves assessed and managed annually to maintain financial stability. • **Borrowing Capacity**: Borrowing capacity maintained, offering financial flexibility to address unforeseen costs or emergencies. **Risk 3: Fraud and Corruption Risks** • **Fraud Prevention and Detection**: Internal controls, anti-fraud policies, and regular external audits safeguard against fraudulent activities. Training programs, including sessions provided by Deloitte, reinforce awareness and detection capabilities. • **Internal Audits**: Comprehensive internal audits and fraud awareness programs support ongoing prevention measures. **Risk 4: Unfunded Mandates** • **Governance Oversight**: The Strategic Projects Committee and Finance, Audit, and Risk Committee provide strong governance, ensuring mandates are assessed and financial implications are managed. • **Legislative Compliance**: Council maintains compliance with legislative requirements, supported by flexible financial strategies to address unfunded mandates and mitigate resource strain.	**High** **Likelihood: Possible** **Consequence: Catastrophic**	• Council is actively engaging with Central Government to secure funding and advocate for fair treatment in the face of revenue reductions and compliance cost increases. • Discussions with NZTA are ongoing to clarify the process and support available for emergency works in the event of natural disasters or infrastructure failures. • Council is also monitoring external geopolitical factors, such as wars, international elections, and global economic instability, which may impact funding, supply chains, and inflation. • Submissions to government and regional collaboration are key strategies to influence reform outcomes and secure resources.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Strategic Risk 11 **Climate Change Risk** Environmental and Sustainability Planning and Strategy	1. **Emission Reduction Failure**: Council fails to meet climate change emission reduction targets. 2. **Climate Adaptation Failure**: Council fails to adapt effectively to climate change. **Root Causes**: • Council action or inaction, competing priorities, limited resources, or misaligned strategic focus. **Impact**: Reputational, financial, environmental, health, and safety consequences.	**Extreme** **Likelihood: Likely** **Consequence: Catastrophic**	**Risk 1: Emission Reduction Failure** • **Net Zero Emission Plan (2050)**: Projects such as EV implementation and energy management. • **Community Programs**: Zero Waste, Wai Warrior, and water conservation initiatives. • **District Plan**: Medium-density zoning and coastal planning per Climate Action Framework. • **Strategic Frameworks**: Environmental Sustainability Policy and Infrastructure and Emission Reduction Plans approved. **Risk 2: Climate Adaptation Failure** • **Coastal Erosion Strategy**: Guiding interventions and seawall maintenance. • **Risk & Resilience Planning**: Climate risk assessments integrated into asset management and infrastructure plans. • **Infrastructure Protection**: Mitigating coastal erosion risks, including landfill assessments. • **Waitara Stormwater Plans**: Considering climate forecasts for flood risk mitigation. • **Infrastructure Resilience**: Exposure zones mapped, and investments planned. • **Natural Area Protection**: Efforts to prevent deforestation and maintain carbon sinks. • **Preparedness**: Enhanced disaster readiness with Business Continuity Plans and insurance coverage. • **Adaptation Plan Role**: Dedicated climate adaptation role to ensure implementation in future Long-Term Plans.	**High** **Likelihood: Unlikely** **Consequence: Catastrophic**	**For Risk 1:** • **Future Feasibility Studies**: Additional projects for emission reduction under assessment. **For Risk 2:** • **Resilience Investments**: Implementation of planned resilience measures based on critical infrastructure mapping. • **Adaptation Strategy Updates**: Periodic updates to align with new climate data and risks.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Corporate Innovation

Digital Enablement

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Cybersecurity and Data Protection Cyber Threats | Data Integrity | Privacy Compliance	There is a risk that cyber threats or inadequate data protection may compromise sensitive information, disrupt operations, or lead to non-compliance with privacy laws. **Root Causes:** • Insufficient cybersecurity measures or outdated security protocols • Inadequate staff training on data protection and cyber risks • Increased sophistication of cyber-attacks targeting public entities **Impact:** • Data breaches resulting in legal consequences and loss of public trust • Operational downtime affecting service delivery	**Extreme**	**Multi-layered security framework:** Adoption of best-practice cybersecurity standards, including firewalls, intrusion detection systems, and endpoint protection. **Regular threat assessments and penetration testing:** Scheduled vulnerability scans and ethical hacking exercises to proactively identify risks. **Data encryption protocols:** Implementation of encryption measures for sensitive information, ensuring compliance with data protection laws. **Access control and authentication security:** Deployment of multi-factor authentication (MFA) and role-based access controls to prevent unauthorised system access. **Cybersecurity awareness training:** Regular workshops and phishing simulations to educate staff on security risks and best practices. **Incident response and disaster recovery plans:** Clearly defined protocols for responding to cyber incidents, ensuring rapid containment and recovery. **Regulatory compliance framework:** Adherence to privacy laws, such as the New Zealand Privacy Act, ensuring legal obligations are met.	**High**	**Digital Enablement Services**: Centralised IT services across NPDC facilities ensure consistent application of cybersecurity protocols **Critical Asset Identification**: IT systems are classified by criticality, with high-risk assets receiving priority in resilience planning **Resilience Planning**: Includes backup systems, disaster recovery protocols, and business continuity strategies

Finance

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Fraud and Financial Integrity Internal Fraud | Financial Mismanagement | Regulatory Compliance	There is a risk that fraudulent activity, financial mismanagement, or weak internal controls may compromise financial integrity, resulting in reputational damage and legal consequences. **Root Causes:** • Lack of robust internal controls and audit mechanisms • Insufficient fraud detection measures • Non-compliance with financial regulations and governance requirements **Impact:** • Financial loss due to fraudulent activities or misappropriation • Erosion of stakeholder trust and regulatory scrutiny	**Extreme**	• **Strong internal audit functions:** Regular audits to identify irregularities and ensure compliance with financial policies. • **Fraud prevention and detection systems:** Real-time monitoring tools and anomaly detection for unusual financial transactions. • **Strict adherence to financial governance standards:** Compliance with legislation such as the New Zealand Local Government Act and Public Finance Act. • **Segregation of financial duties:** Policies ensuring separation of responsibilities to prevent unauthorised financial activities. • **Fraud and Corruption Policy**: Committee oversight of breaches and protected disclosures • **Audit NZ Recommendations**: Implementation tracking of audit findings to improve financial governance	**High**	**Internal Control Assurance**: Regular reviews by internal and external auditors with action plans for deficiencies **Implementation of Independent Review Recommendations**: Actions are underway following the Mayor's independent review of the annual planning process, with a focus on strengthening financial oversight and governance practices. **External Review of Financial Reports**: All future financial reports, including financial plans, models, workings, and assumptions, will undergo independent external review to ensure accuracy, transparency, and compliance. **Proposed Structural Changes**: Organisational changes are being proposed to enhance financial capability and oversight. Consultation has occurred with individuals potentially impacted by these changes to ensure a smooth transition and maintain operational integrity.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

People and Performance

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Workforce Capability and Capacity Workforce Planning | Skills Development | Succession Management	There is a risk that the organisation may not have the necessary skills or sufficient personnel to effectively achieve strategic objectives, leading to operational inefficiencies, service delivery failures, and reputational damage. **Root Causes** • Ineffective workforce planning and limited succession management • Insufficient investment in staff development and training • Challenges in adapting to demographic changes and evolving industry demands • Loss of key personnel without adequate knowledge transfer **Impact** • Reduced organisational effectiveness and service delivery disruptions • Increased workload pressures, leading to staff burnout • Decreased stakeholder confidence and reputational harm	**Extreme**	• **Workforce Planning Framework:** Strategic workforce planning ensuring long-term alignment with organisational objectives. • **Succession Planning Programs:** Identifying critical roles and developing internal talent pipelines for leadership continuity. • **Training and Development Strategy:** Structured employee upskilling initiatives to address capability gaps. • **Knowledge Transfer Mechanisms:** Policies for capturing institutional knowledge and transferring key expertise before staff turnover. • **Annual Capability Assessments:** Regular reviews of workforce skillsets to identify training and recruitment needs.	**High**	**Te Kura Matahanganga Training Facility**: Partnership with WITT-Te Pūkenga to address civil construction skills gaps **Organisational Restructuring**: Focus on aligning workforce capability with strategic objectives **Long-Term Plan (LTP) Workforce Planning**: Embedded in infrastructure and service delivery strategies

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Operational Excellence

TEMO

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Emergency Preparedness and Response Coordination Disaster Preparedness | Incident Response | Multi-Agency Coordination	There is a risk that inadequate emergency preparedness, response delays, or ineffective multi-agency coordination may compromise public safety, increase disaster impact, and lead to reputational harm. **Root Causes** • Insufficient planning for large-scale emergency scenarios • Delays in activating response mechanisms due to infrastructure challenges • Gaps in public awareness and disaster preparedness initiatives **Impact** • Increased casualty rates and property damage due to delayed response • Erosion of public confidence in emergency management capabilities • Strain on resources and personnel during high-impact events	**Extreme**	**Climate Adaptation Strategies:** Integration of sustainable design elements to reduce vulnerability to weather impacts. **Emergency Preparedness Frameworks:** Defined response plans ensuring rapid action during extreme weather events. **Urban Forestry and Green Infrastructure Investments:** Strengthened tree planting programs and permeable landscaping solutions. **Collaboration with Emergency Response Agencies:** Partnerships supporting disaster mitigation and rapid recovery efforts.	**High**	**Emergency Management and Business Continuance Planning**: Detailed in the LTP, including multi-agency coordination **Climate Resilience Investments**: Infrastructure upgrades and green infrastructure to reduce disaster impact **Strengthened Community Resilience Programs:** Public workshops and awareness initiatives on climate adaptation. **Investment in Sustainable Infrastructure Solutions:** Projects reducing long-term exposure to environmental hazards.

Three Waters

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Drinking Water Quality and Supply Security Public Health | Regulatory Compliance | Infrastructure Reliability	There is a risk that contamination, infrastructure failure, or insufficient supply may compromise drinking water quality or availability, leading to public health issues, regulatory breaches, and community distrust. **Root Causes** • Aging or failing water supply infrastructure • Contamination from source water or network breaches • Insufficient source resilience (e.g. droughts, overuse) • Failure to meet evolving regulatory and monitoring standards **Impact** • Illness or health risk to the public • Regulatory non-compliance and potential enforcement actions • Loss of public confidence and reputational damage	**Extreme**	**Drinking Water Safety Plans** in place for each supply, aligned with Taumata Arowai's Drinking Water Quality Assurance Rules. **Multi-barrier treatment systems**, including coagulation, filtration, UV disinfection, and chlorine dosing. **Continuous online monitoring** (e.g. turbidity, pH, residual chlorine) linked to SCADA systems with alarm thresholds. **Scheduled bacteriological sampling** and laboratory verification meeting regulatory frequency. **Source water risk assessments** (SWRA) regularly reviewed and updated. **Operator certification and training** aligned with Drinking Water Standards and council policies.	**High**	**Smart metering and district flow tracking** to detect network losses and unaccounted-for water. **Development of alternative water sources**, such as aquifer recharge, interconnectivity between networks, or emergency groundwater bores. **Catchment protection initiatives**, including fencing, riparian planting, and stakeholder collaboration on land use. **Water Supply Strategy**: Includes resilience planning, source protection, and compliance with Taumata Arowai standards **Smart Metering and Leak Detection**: Part of the Universal Water Meter project

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Wastewater System Reliability Environmental Management | Service Continuity | Regulatory Breach	There is a risk that inadequate capacity, asset failure, or treatment inefficiency may result in overflows or discharges of untreated or partially treated wastewater into the environment. **Root Causes** • Inflow and infiltration during wet weather exceeding network capacity • Aging treatment plants with insufficient process resilience • Consent non-compliance with discharge quality standards • Blockages or pump failures within the reticulated network **Impact** • Environmental harm to receiving waterways or land • Regulatory non-compliance, including fines or abatement notices • Community complaints and reputational impacts	**Extreme**	**Overflow response plans**, including real-time alarm systems for pump stations and high-risk manholes. **Consent compliance monitoring**, with sample testing and reporting to regional councils. **Sewer maintenance programmes**, including root cutting, CCTV inspection, and pipe relining. **Standby power supplies** and wet well level monitoring at critical pump stations. **Asset condition database** tracking pipe age, material, and performance history.	**High**	**Performance benchmarking and reporting**, using Water NZ's National Performance Review metrics. **Joint planning with iwi and environmental groups** to align discharge outcomes with cultural and ecological values. **Wastewater Asset Management**: Includes SCADA monitoring, overflow response, and condition-based renewals **Investment in Treatment Upgrades**: Funded through the LTP to meet discharge standards

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Stormwater System Natural Hazard Management | Climate Resilience | Infrastructure Capacity	There is a risk that inadequate stormwater infrastructure, climate change-induced weather events, or poor land use management may lead to localised flooding and environmental harm. **Root Causes** • Undersized or aging stormwater infrastructure • Increasing intensity and frequency of rainfall events • Blocked drains or illegal connections exacerbating flows • Lack of integration between land development and stormwater planning **Impact** • Flooding of public or private property, roads, and facilities • Sediment and contaminant discharge into receiving environments • Insurance claims and infrastructure damage • Reduced public confidence in flood risk mitigation	**High**	**Stormwater catchment management plans (CMPs)** aligned with district planning and growth forecasts. **Regular sump and pipeline maintenance**, including programmed cleaning of high-risk assets. **Consent compliance monitoring** for network discharges to receiving environments. **Integration of overland flow paths** into open space and transport corridors. **On-site attenuation requirements** enforced through Resource Consents for new developments.	**High**	**Climate scenario modelling** integrated into long-term asset investment decisions. **Implementation of green infrastructure**, such as swales, rain gardens, and biofiltration systems. **Expanded stormwater monitoring**, including rainfall gauges and event logging systems. **Community resilience education**, including flood risk mapping and proactive preparedness campaigns. **Floodplain buyback or voluntary retreat mechanisms** explored in high-risk areas through spatial planning processes.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Three Waters Workforce Capability and Legislative Transition Change Management | Service Continuity | Technical Capacity	There is a risk that changes to Three Waters service delivery models (e.g. post-reform), staff retention issues, or limited technical expertise may impact service continuity, institutional knowledge, and regulatory compliance. **Root Causes** • Staff uncertainty or attrition due to national reforms • Limited availability of skilled operators and engineers • Confusion around roles, responsibilities, or reporting lines during transition • Evolving requirements from Taumata Arowai and other oversight bodies **Impact** • Skills shortages disrupting operations and compliance • Decreased morale and institutional knowledge loss • Inconsistent asset performance and customer service	**Extreme**	**Climate Adaptation Strategies:** Integration of sustainable design elements to reduce vulnerability to weather impacts. **Emergency Preparedness Frameworks:** Defined response plans ensuring rapid action during extreme weather events. **Urban Forestry and Green Infrastructure Investments:** Strengthened tree planting programs and permeable landscaping solutions. **Collaboration with Emergency Response Agencies:** Partnerships supporting disaster mitigation and rapid recovery efforts.	**High**	**Strengthened Community Resilience Programs:** Public workshops and awareness initiatives on climate adaptation. **Workforce Transition Planning**: Addressed in the LTP and Annual Report, with focus on reform impacts **Training and Certification**: Ongoing investment in operator capability

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Water Asset Condition, Investment, and Lifecycle Risk Infrastructure Sustainability | Asset Performance | Capital Planning	There is a risk that poor asset condition data, aging infrastructure, or inadequate renewal investment may lead to critical asset failures, service interruptions, and escalating maintenance costs, impacting compliance, customer satisfaction, and long-term service sustainability. **Root Causes** • Historical underinvestment in renewals and replacements • Incomplete or outdated asset condition and performance data • Reactive rather than strategic asset planning approaches • Inflationary pressures and supply chain disruptions delaying renewal programmes **Impact** • Burst pipes, pump station outages, or reservoir failures disrupting service continuity • Unplanned emergency repairs increasing operational costs and diverting resources • Non-compliance with regulatory service level expectations (e.g. pressure, supply interruptions)	Extreme	**Asset management plans (AMPs)** covering drinking water, wastewater, and stormwater assets, aligned with LTP forecasts **Scheduled condition assessments** for high-risk asset classes (e.g. rising mains, trunk sewers, pump stations) **Maintenance work order system** capturing performance trends and defect history **Capital delivery pipeline** with prioritised renewals based on criticality and condition **SCADA and remote telemetry** on key assets monitoring real-time operational status **Regular Training**: Staff attend workshops and webinars on legislative updates, case law, and best practice planning approaches.	High	**Development of a long-term renewals' investment strategy**, integrating climate resilience, growth, and affordability **Workforce capacity planning** to ensure internal and contractor resources are available to deliver capital works on time **Asset Management Plans (AMPs)**: Cover all three waters, aligned with LTP forecasts **Smart Sensors and Predictive Maintenance**: Planned rollout to improve asset performance

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
	• Reduced community trust in the reliability and stewardship of water infrastructure				

Strategy and Planning

Consents and Regulatory

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Planning and Development Compliance Regulatory Compliance | Legal Risk | Community Trust	There is a risk that planning and development activities may proceed without appropriate consents or in breach of district plan rules, leading to legal challenges, environmental impacts, and community dissatisfaction. **Root Causes** • Inadequate resourcing or delays in consent processing • Misinterpretation of planning rules or legislative changes • Non-compliance by developers or contractors **Impact** • Legal appeals or enforcement actions • Environmental degradation or infrastructure strain • Loss of public trust and reputational damage	Extreme	**Qualified Planning Staff**: All planners hold relevant qualifications and undergo professional development to stay current with RMA and district plan changes. **Peer Review Processes**: Complex or high-impact applications are subject to internal peer review to ensure consistency and compliance. **Electronic Consent Systems**: Use of systems like Objective or Pathway to manage applications, track timelines, and ensure rule-based validation. **Public Access to Planning Information**: Online portals provide access to planning maps, zoning rules, and guidance documents to support applicant understanding.	High	**Enhanced GIS Integration**: Improved spatial tools to assist planners and applicants in interpreting zoning and overlays. **District Plan Clarity Review**: Ongoing review of plan provisions to reduce ambiguity and improve enforceability. **Community Education Campaigns**: Outreach initiatives to raise awareness of planning processes and encourage responsible development.

Project Management

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
ICT Business Transformation Technology | Change Management | Operational Continuity	There is a risk that ICT transformation initiatives may fail to deliver intended efficiencies or disrupt business operations, due to poor change management, integration issues, or technical failures. **Root Causes** • Legacy systems and data quality issues • Inadequate user engagement or training • Integration complexity across platforms • Cybersecurity vulnerabilities **Impact** • Service disruption or data loss • User resistance and low adoption • Reputational and financial impacts	**Extreme**	• **ICT Strategy**: Aligned with organisational goals and reviewed annually to ensure relevance and responsiveness to change. • **Change Management Plans**: Developed for all major ICT initiatives, including stakeholder mapping, training, and communications. • **Cybersecurity Framework**: Policies and controls aligned with NZISM and NIST standards, including regular penetration testing and patch management. • **Business Continuity Planning (BCP)**: ICT-specific BCP and disaster recovery plans tested annually. • **Agile Delivery Practices**: Use of Agile or hybrid methodologies for ICT projects, with sprint reviews and backlog grooming.	**High**	**Superuser Networks**: Identified champions in business units to support adoption and provide feedback loops. **Data Governance Programme**: Policies and tools for data quality, ownership, and lifecycle management. **Independent Technical Assurance**: External reviews of architecture, integration, and security for major systems. **Cybersecurity Awareness Training**: Regular training and phishing simulations for all staff. **ICT Asset Management Plan**: Includes cybersecurity, change management, and system integration

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
ERP Programme Risk Technology | Financial | Strategic Delivery	There is a risk that the ERP programme may not meet its objectives due to complexity, integration challenges, or resistance to change, resulting in cost overruns, delays, or operational inefficiencies. **Root Causes** • Underestimation of scope or change impact • Vendor performance or solution limitations • Data migration and legacy system issues • Inadequate training or business readiness **Impact** • Financial loss and extended timelines • Disruption to core business functions • Failure to realise intended efficiencies	**Extreme**	• **ERP Governance Board**: Senior leadership oversight with decision-making authority and risk escalation pathways. • **Phased Implementation**: Modular rollout to reduce risk and allow for iterative learning and adaptation. • **Vendor Management**: SLAs, KPIs, and regular performance reviews with ERP vendor and implementation partners. • **Change Impact Assessments**: Conducted for each phase to identify business process changes and training needs. • **Data Migration Strategy**: Includes data cleansing, mapping, validation, and reconciliation processes.	**High**	**Business Readiness Assessments**: Conducted prior to go-live to ensure users, processes, and systems are prepared. **Continuous Improvement Roadmap**: Post-implementation plan for enhancements, integrations, and user feedback.

Strategic Planning

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Climate Change Adaptation and Mitigation Environmental | Strategic Delivery | Financial	There is a risk that the organisation may fail to adequately plan for or respond to climate change impacts, resulting in increased exposure to environmental hazards, regulatory non-compliance, and missed funding or partnership opportunities. **Root Causes** • Lack of integration of climate risk into planning and infrastructure decisions • Insufficient data or modelling on local climate impacts • Limited community engagement or behavioural change • Funding constraints or misalignment with national climate policy **Impact** • Increased vulnerability to flooding, drought, and coastal erosion • Reputational damage and loss of public trust • Missed opportunities for climate funding or innovation	**Extreme**	• **Climate Action Plan**: Adopted and reviewed regularly, aligned with national and regional climate strategies • **Emissions Inventory**: Annual measurement of council emissions and reporting to track progress • **Climate Risk Assessments**: Integrated into asset management and infrastructure planning • **Cross-Council Climate Working Group**: Ensures coordination across departments • **Community Engagement**: Climate-focused consultation and education campaigns	**High**	**Climate Adaptation Framework**: Development of a long-term adaptation strategy with spatial overlays **Green Infrastructure Investment**: Prioritisation of nature-based solutions in capital planning **Climate Modelling Tools**: Use of GIS and predictive analytics to inform planning decisions **Partnerships**: Collaboration with iwi, central government, and research institutions for joint initiatives **District-Wide Emissions Reduction Plan**: Nearing finalisation.

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
District Planning and Regulatory Regulatory Compliance | Legal | Community Trust	There is a risk that district planning documents may not reflect current legislative requirements or community expectations, leading to legal challenges, poor development outcomes, and reputational damage. **Root Causes** • Delays in plan reviews or updates • Misalignment with national policy statements or regional plans • Inadequate engagement with iwi and stakeholders • Resource constraints in plan development **Impact** • Legal appeals and Environment Court costs • Poor urban form and infrastructure strain • Loss of public trust and planning credibility	**Extreme**	• **District Plan Review Programme**: Scheduled updates aligned with statutory timeframes • **Legal Review of Plan Changes**: External legal input on plan provisions • **Stakeholder Engagement Framework**: Includes iwi, developers, and community groups • **Plan Monitoring and Reporting**: Tracks effectiveness of plan provisions • **Qualified Planning Staff**: Ongoing professional development and peer review	**High**	**Digital Planning Tools**: Interactive maps and rule interpretation aids for public and staff **Integrated Growth Modelling**: Links land use, infrastructure, and environmental constraints **Plan Simplification Initiatives**: Reduce complexity and improve usability **Joint Planning Initiatives**: Collaboration with neighbouring councils and regional authorities

		PRE-MITIGATION		POST-MITIGATION	
TYPE(S) OF RISK	**RISK DESCRIPTION**	**INHERENT RISK RATING**	**CURRENT CONTROLS**	**RESIDUAL RISK LEVEL**	**ADDITIONAL CONTROLS**
Growth Management Infrastructure Planning | Financial | Environmental	There is a risk that growth may outpace infrastructure capacity or occur in unsuitable areas, leading to service delivery challenges, environmental degradation, and community dissatisfaction. **Root Causes** • Inadequate forecasting or growth modelling • Misalignment between land use and infrastructure planning • Funding constraints or delays in capital delivery • Reactive rather than proactive planning **Impact** • Infrastructure bottlenecks and service failures • Environmental impacts and loss of amenity • Community resistance and reputational harm	**Extreme**	• **Growth Strategy**: Spatial plan aligned with infrastructure and funding strategies • **Growth Modelling Tools**: Use of population, housing, and employment projections • **Infrastructure Strategy**: 30-year plan integrated with LTP and District Plan • **Development Contributions Policy**: Ensures growth pays for growth • **Cross-Departmental Growth Working Group**: Coordinates planning, infrastructure, and finance	**High**	**Integrated Spatial Planning**: Combines land use, transport, and environmental overlays **Strategic Land Acquisition Programme**: Enables proactive infrastructure delivery **Community Growth Engagement**: Informs and involves residents in growth planning decisions



Risk Management Update – Emerging Risk

Gas Market Update

Te Kaunihera-ā-Rohe o Ngāmotu
New Plymouth District Council

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Gas Market Update



Executive Summary

This report provides an update on the New Zealand natural gas market and outlines the implications for New Plymouth District Council (NPDC). It highlights strategic risks, financial exposure, and transition planning in alignment with Council's Strategic Risk Register. The declining national gas supply, coupled with increasing costs and contract volatility, presents a material risk to NPDC's operational resilience and financial sustainability.

Background

Natural gas has historically played a critical role in supporting the operations of New Plymouth District Council (NPDC), particularly in high-energy-use facilities such as the thermal dryer at the wastewater treatment plant and aquatic centres. However, the national gas market is undergoing a period of significant transition. Declining domestic reserves, limited new exploration, and increasing regulatory and environmental pressures are contributing to a tightening supply and rising costs.

In response to these developments, NPDC has undertaken a review of its current and future exposure to natural gas market risks. This update provides context on the evolving market landscape, outlines the financial and operational implications for Council, and identifies strategic risks and mitigation pathways aligned with the Council's Strategic Risk Register and long-term planning objectives.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025



Gas Market Update

Market Overview and Strategic Context

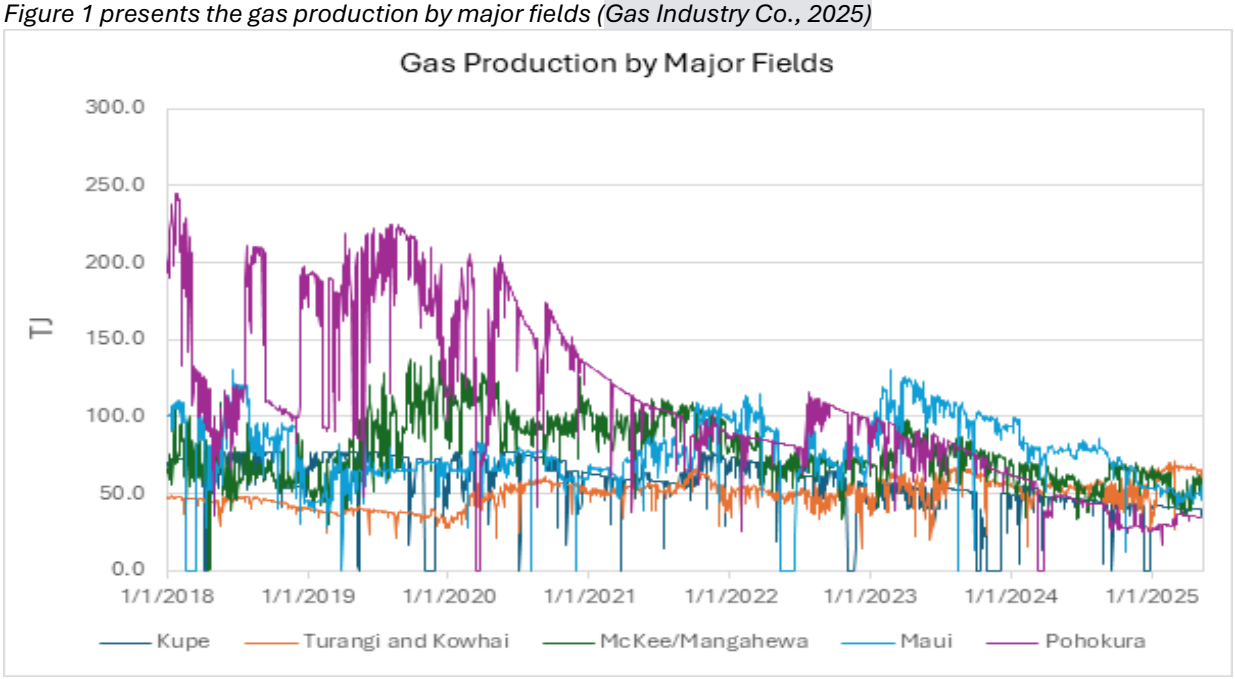
New Zealand's natural gas market is undergoing significant disruption. Production is declining faster than anticipated, with 2P[1] reserves revised down by 25% in 2024. No major new domestic discoveries are expected, and alternative fuels (biogas, hydrogen) remain commercially unviable at scale. The Ministry of Business, Innovation & Employment estimates 8.7 years of usable reserves remain.

This supply shortfall is impacting key industries and energy prices, with closures and divestments from major players such as Methanex, NZ Steel, and Oji Fibre. These developments have direct implications for NPDC's energy procurement and long-term infrastructure planning.

Strategic Risk Linkage:

- **Strategic Risk 10 – Financial and Economic Risk**: Escalating energy costs and contract volatility directly contribute to operational overspending and financial strain.
- **Strategic Risk 9 – Strategic Projects Risk**: Energy supply uncertainty may impact project feasibility, cost forecasting, and delivery timelines.

Figure 1 presents the gas production by major fields (Gas Industry Co., 2025)



[1] Reserves that are estimated to have a better than 50% chance of being technically and economically producible. 2P reserves represent a combination of reserves that are highly certain to be recoverable (proved) and those that are likely to be recoverable (probable).

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025



NPDC Exposure and Financial Impact

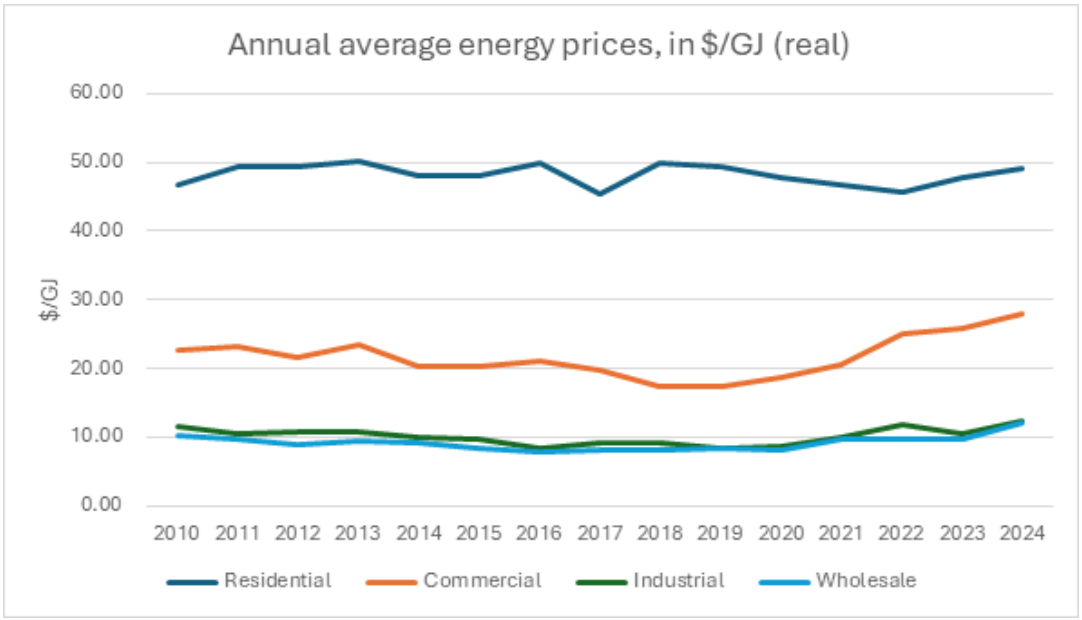
NPDC's natural gas demand is concentrated in high-use facilities such as the thermal dryer (over 60% of total demand), aquatic centres, and community venues. The current gas contract expires in October 2026, with anticipated price increases of 90–100%, raising annual expenditure from ~$1M to ~$2M.

Recent market conditions have led to shorter contract durations (3–6 months), increasing exposure to price fluctuations and procurement risk.

Strategic Risk Linkage:

- **Strategic Risk 10 – Financial and Economic Risk**: The volatility in contract terms and pricing aligns with the risk of unfunded mandates and budget overspends.
- **Strategic Risk 3 – Emergency Preparedness Risk**: Energy supply disruptions could affect critical service delivery and emergency response capabilities.

Figure 2 presents real annual average energy prices, in $/GJ (Gas Industry Co., 2025)



Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Gas Market Update



Transition Planning and Risk Mitigation

Officers have developed a **Gas Transition Plan** to guide NPDC's shift toward alternative energy sources. This plan includes:

- **Asset Prioritisation**: Identifying facilities with highest energy demand and assessing retrofit feasibility.
- **Contingency Planning**: Preparing for contract non-renewal scenarios and supply interruptions.
- **Opportunities**: Exploring electrification, heat pump technology, and renewable integration.
- **Risk Reduction**: Engaging with suppliers early, leveraging central government funding, and aligning with regional decarbonisation initiatives.

Strategic Risk Linkage:

- **Strategic Risk 11 – Climate Change Risk**: Transitioning away from fossil fuels supports emission reduction targets and climate adaptation.
- **Strategic Risk 6 – Technology and Cybersecurity Risk**: Modernising energy systems may require digital upgrades and cybersecurity considerations.

Recommendations

1. **Endorse the Gas Transition Plan** following thorough review and consideration through appropriate governance and meeting rounds. The Gas Transition Plan will be act as a strategic mitigation measure.
2. **Incorporate energy risk into the Long-Term Plan** and financial forecasting.
3. **Monitor market developments** and engage with central government on energy policy and funding opportunities.
4. **Report quarterly to FAR Committee** on progress, risks, and financial impacts.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Te Kaunihera-ā-Rohe o Ngāmotu
New Plymouth District Council

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

SENSITIVE EXPENDITURE REPORT FOR THE PERIOD 1 JULY 2024 TO 30 JUNE 2025

PURPOSE/ TE WHĀINGA

1. This report presents elected member and the Chief Executive's sensitive expenditure for the period 1 July 2024 to 30 June 2025.

RECOMMENDATION / NGĀ WHAIKUPU

That, having considered all matters raised in the report, the report be noted.

SIGNIFICANCE AND ENGAGEMENT / TOHUTOHU KAI WHAKAHAERE

2. This report is provided for information purposes only, and has been assessed as being of some importance.

BACKGROUND / WHAKAPAPA

3. As a public organisation Councils' expenditure is subject to the expected standards of financial prudence and probity; and should be able to withstand public and parliamentary scrutiny.

4. Previous reports have covered only a six-month period. In response to feedback from the Finance, Audit and Risk Committee, this report now provides information for the full financial year.

5. Council officers intend to continue with the revised reporting schedule, which includes an interim six-month report followed by a final full-year report for each financial year.

What is sensitive expenditure?

6. The Office of the Auditor General defines sensitive expenditure as "any spending by an organisation that could be seen as giving private benefit to a staff member, their family, or friends".

7. The Office of the Auditor General recommends that public organisations take a principles-based approach to sensitive expenditure. This approach is more enduring, and more practicably applicable than prescriptive rules. The principles are that expenditure decisions:

    - Have a justifiable business purpose;
    - Preserve impartiality;

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

- Be made with integrity;
- Be moderate and conservative;
- Be made transparently; and
- Be made with proper authority

8. These principles are reflected in the Elected Members Code of Conduct.

9. This report presents elected members and the Chief Executive's expenditure relating to:

- Travel (including mileage claims and Mayoral fleet card)
- Accommodation
- Catering
- Professional development costs
- Reimbursement of expenses
- Gift register entries
- Other (meal expenses, childcare and late notice airfares)

10. Proactive release of this information will help strengthen public trust in Council's processes.

Attendance at Professional Development events

11. The Council has adopted a policy (Approval to Attend Professional Development Events Policy) setting the authorisation process for approving attendance of elected members at professional development events.

12. In 2018, Council resolved to publish the Mayor and Councillors' Professional Development expenses in the Annual Report. Some of the information in this report will duplicate the information in the Annual Report.

13. The cost associated with a Professional Development event includes any travel accommodation and ancillary arrangements required.

CLIMATE CHANGE IMPACT AND CONSIDERATIONS / HURINGA ĀHUARANGI

14. This report is administrative in nature and there are no climate change impacts or considerations.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

NEXT STEPS / HĪKOI I MURI MAI

15. The next sensitive expenditure report will cover the period 1 July 2025 – 31 December 2025 and be tabled at the first Finance, Audit and Risk Committee (or equivalent) meeting in 2026.

FINANCIAL AND RESOURCING IMPLICATIONS / NGĀ HĪRAUNGA Ā-PŪTEA, Ā-RAUEMI

16. There are no financing and resourcing implications.

IMPLICATIONS ASSESSMENT / HĪRANGA AROMATAWAI

17. This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:
    - Council staff have delegated authority for any decisions made;
    - Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
    - Council staff have considered how the matter will promote the social, economic, environmental, and cultural well-being of communities in the present and the future.
    - Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
    - Any decisions made are consistent with the Council's plans and policies; and
    - No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

APPENDICES / NGĀ ĀPITIHANGA

Appendix 1 Sensitive Expenditure Schedule 1 July 2024 – 30 June 2025 (ECM 9541139)

Appendix 2 Professional Development Register 1 July 2024 – 30 June 2025 (ECM 9541141)

Appendix 3 Elected Member Gift Register 1 July 2024 – 30 June 2025 (ECM 9541144)

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Report Details

Prepared By:	Ashlee Carter (Governance Advisor)
Team:	Governance
Approved By:	Julie Straka (Manger Governance)
Ward/Community:	District Wide
Date:	15 July 2025
File Reference:	ECM 9541145

----------End of Report ----------

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Sensitive Expenditure Schedule (1 July 2024 – 30 June 2025)

Name	Communications[1]	Mileage	Catering	Other[2]
Mayor and Councillors			$1,580.33	
Neil Holdom	$1,908.00		$649.70	$3,366.44
David Bublitz	$1,300.00			
Amanda Clinton-Gohdes	$1,500.00	$88.40		$4,192.28[3]
Gordon Brown	$1,500.00	$34.32		
Bali Haque				
Anneka Carlson Matthews	$1,500.00	$1,017.12		$120.05
Tony Bedford	$1,500.00	$2,496.00		
Dinnie Moeahu	$1,500.00	$2,945.90[4]		
Sam Bennett	$1,500.00	$242.32		$34.70
Murray Chong	$1,500.00	$230.88		$2,294.10[5]
Marie Pearce	$1,500.00	$2,538.80		
Harry Duynhoven	$1,500.00	$1,636.44		
Te Waka McLeod	$1,500.00			
Max Brough				
Bryan Vickery	$1,500.00			
CE Gareth Green			$1,291.95	$3,029.35[6]

[1] Includes claimed expenses for use of personal landline/broadband, mobile, and/or text/data/calls.
[2] Includes meal and meeting expenses.
[3] Childcare expenses.
[4] Correction of previously reported amount (ECM 9431156).
[5] NPDC contributed 50 per cent of the cost of cameras after Councillor Chong's vehicle was damaged in an incident at his home. The Payment was approved by the Chief Executive on the basis of advice regarding his duty to take all practical steps to ensure the safety of our people (in this case a Councillor).
[6] Professional Body Membership Fees

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Community Boards

Name	Communications[7]	Mileage	Catering	Other
Adrian Sole	$1,950.00			
Christine Fabish	$1,500.00	$2,221.44		
Graham Chard	$1,550.00	$6,019.52		
Jane Parker Bishop	$1,950.00			
Joe Rauner				
Jonathan Marshall				
Jono Burrows				
Kim Sowman	$1,950.00			
Mike Baker	$1,950.00	$907.92		$15.00[8]
Murray Seamark	$1,950.00	$2,256.80		
Nevill Hagensen				
Teresa Hayston	$1,950.00			
Nick Jones	$1,950.00			
Paul Lobb				
Renee Hohaia	$1,950.00			
Sarah Lucas	$1,550.00	$736.32		
Tane Webster				
Teresa Goodin	$1,950.00	$116.48		
Trever Dodunski	$1,950.00			
Tyla Nickson	$1,950.00	$136.24		

[7] Includes claimed expenses for use of personal computer, printer, landline/broadband, mobile, and/or text/data/calls.
[8] Stationery.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Additional Expenses incurred 1 July 2024 – 30 June 2025.

Mayor

Travel/Transport $8,955.67
Accommodation $5,273.39

Mayor Holdom's travel for matters of business[9], during the period 1 July 2024 to 30 June 2025 are as follows.

- 29 - 30 July 2024 – Air NZ Mayoral Forum in Auckland (paid by Air NZ).
- 29-31 August 2024 – Meeting regarding Kowhai Park Solar Farm in Christchurch
- 10 – 12 September 2024 – Meeting Nic Johannsen Tauranga Council regarding water meters pricing (accommodation only)
- 19 September 2024 – Attendance at LGNZ Transport Forum and National Council Meeting in Wellington (flights and accommodation paid by LGNZ as R&P Chair)
- 23 September 2024 - Meeting with NZTA Board as LGNZ representative
- 24-25 October 2024 - Meeting with Pat Dougherty (Wellington Water) in Wellington
- 19-21 November 2024 – Meetings with Ministers and Attendance at LGNZ Localism Combined Sector Meeting in Wellington
- 5-6 December 2024 – Attendance at LGNZ National Council meeting (flights and accommodation paid for by LGNZ as Chair of R&P)
- 18-21 December 2024 – Meetings with Charlotte Reed (Commerce Commission), Watercare, and Auckland Council regarding transport and water
- 4-6 February 2025 – Attendance at Waitangi Day Events.
- 10-11 February 2025 – Meeting with William Blackler LGNZ and Attendance at LGNZ Transport Forum (as Chair) in Wellington.
- 27-28 February 2025 – All of Local Government Meeting and Rural and Provincial Sector Meeting in Wellington.
- 30 April–2 May 2025 – Meetings with Matt Burgess, Chris Roberts, TRH Andrew Little and Minister Simon Watts, Attendance at the All of Local Government and Rural & Provincial Sector Meetings in Wellington.

[9] It is acknowledged that an event may contain both business and professional development elements. For transparency, travel and accommodation expenses for trips which are primarily for matters of business are listed above; the associated meal and meeting costs are contained within the table of page one of this document.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Chief Executive

Travel/Transport[10] $7,681.12
Accommodation $2,259.23

The Chief Executive's travel for matters of business, during the period 1 July 2024 to 30 June 2025 are as follows.

- 26 September 2024 - Attendance at C-Level Executives Datascape LG Round Table.
- 20 November 2024 – Attendance at ALGIM Awards & Gala Dinner in Wellington.
- 21 November 2024 - Attendance at LGNZ Localism Combined Sector Meeting in Wellington.
- 27 February 2025 - Attendance at All of Local Government Meeting in Wellington.
- 1-2 May 2025 – Attendance at the All of Local Government and Rural & Provincial Sector Meetings in Wellington.
- 6 June 2025 – Meetings with SIA in Wellington.
- 12 June 2025 – Attendance at PwC Chief Executive Forum and the LGFA Taituarā Local Government Excellence Awards in Wellington.
- 23-27 June 2025 – Meetings with Housing and Urban Development regarding Housing Issues for Taranaki, Ministry of Social Development, and attendance at Downer Board or Directors Event in Wellington.

[10] Includes airport fobs, taxis, and flights.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Professional Development (1 July 2024 – 30 June 2025)

Mayor and Councillors[1]	
Neil Holdom	$4,521.32[2]
David Bublitz	$1,547.20[3]
Amanda Clinton-Gohdes	$1,609.44[4]
Gordon Brown	$203.79
Bali Haque	$203.79
Anneka Carlson Matthews	$1,436.40[5]
Tony Bedford	$203.79
Dinnie Moeahu	$2,363.83[6]
Sam Bennett	$3,361.56[7]
Murray Chong	$203.79
Marie Pearce	$203.79
Harry Duynhoven	$203.79
Te Waka McLeod	$1,100.86[8]
Max Brough	$203.79
Bryan Vickery	$203.79
CE Gareth Green	$9,241.53[9]

[1] Expenses relating to the Councillors retreat and a portion of the Situational Safety and Tactical Communications Training has been split between the Mayor and Councillors.
[2] Travel, accommodation and meal expenses associated with attendance at SuperLocal 24 – LGNZ Conference, Just Transitions Forum, LGNZ Zone 3 Meeting, RAC Forum, 22nd NZTA Pavements Conference, and Looking Ahead Infrastructure Symposium.
[3] Travel, accommodation and meal expenses associated with attendance at SuperLocal 24 - LGNZ Conference and All of Local Government Meeting.
[4] Ticket, travel and accommodation expenses associated with attendance at the Aotearoa Homelessness Summitt 2025.
[5] Annual membership, joining fee, and registration for Strategy Essentials course with Institute of Directors.
[6] Accommodation and meal expenses associated with attendance at SuperLocal 24 - LGNZ Conference, Ticket, accommodation and meal expenses associated with Te Maruata – LGNZ Conference, and annual membership to Institute of Directors.
[7] Ticket, travel, accommodation and meal expenses associated with attendance at SuperLocal 24 - LGNZ Conference and Annual membership to Institute of Directors.
[8] Ticket, accommodation and meal expenses associated with Te Maruata – LGNZ Conference.
[9] Ticket, travel and accommodation expenses associated with attendance at SuperLocal 24 – LGNZ Conference, at Taituarā CE Forum, Taituarā conference, Business Leaders Health and Safety Forum, LGNZ Zone 3 Meeting, LGRG Workshop, SuperLocal 25 – LGNZ Conference.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Community Boards	
Adrian Sole	$1,001.86[10]
Christine Fabish	$817.12[11]
Graham Chard	
Jane Parker Bishop	
Joe Rauner	
Jonathan Marshall	
Jono Burrows	
Kim Sowman	
Mike Baker	
Murray Seamark	
Nevill Hagensen	
Nick Jones	
Paul Lobb	
Renee Hohaia	
Sarah Lucas	
Tane Webster	
Teresa Goodin	$73.95[12]
Trever Dodunski	
Tyla Nickson	

[10] Accommodation, meal, and taxi expenses associated with attendance at SuperLocal 24 - LGNZ Conference.
[11] Accommodation and meal expenses associated with attendance at SuperLocal 24 - LGNZ Conference
[12] Cancellation fees and non-refundable expenses associated with non-attendance at SuperLocal 24 - LGNZ Conference.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Elected Members Gift Register (1 July 2024 – 30 June 2025)

Name	Gift	Received	Notes
Neil Holdom	Operatic Society – Jersey Boys	Collected at Gala Opening 4 July	2 x Adults (approx. $100 each)
Sam Bennett	Connections Show by Val Deakin Dance Studio	Available at door	2 x Adults (no indication of cost)
David Bublitz	TAFT Spieglefest tickets to Otto & Astrid 14/11/24	Electronic Ticket	2 x Adults ($59 pp – 118 total)
Anneka Carlson Matthews	TAFT Spieglefest tickets to Otto & Astrid 14/11/24	Electronic Ticket	2 x Adults ($59 pp – 118 total)
Amanda Clinton Gohdes	TAFT Spieglefest tickets to Fiesta Muzika	Electronic Ticket	2 x Adults ($20 pp - $40 total)
Neil Holdom	Taranaki Rugby – Ticket to Bulls vs Waikato & VIP Suite	Delivered to reception	Approx $40 for the ticket
Dinnie Moeahu	Te Matatini 2025 – All week ticket with lounge access Ticket		Approx $150 for the ticket
Te Waka McLeod	Te Matatini 2025 – All week ticket with lounge access Ticket		Approx $150 for the ticket
Neil Holdom	WOMAD 2025 Tickets	Received as member of the WOMAD Board. 1 x Double Adult 2 x day VIP 2 x Youth 2 x day VIP	 $805 $708
Amanda Clinton-Gohdes	WOMAD 2025 Tickets	Given in person at the 2025 TAFT presentation 11 Feb 25 2 x 3 Day VIP passes	$805

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Name	Gift	Received	Notes
Anneka Carlson	WOMAD 2025 Tickets	Given in person at the 2025 TAFT presentation 11 Feb 25 2 x 3 Day VIP passes	$805
David Bublitz	WOMAD 2025 Tickets	Given in person at the 2025 TAFT presentation 11 Feb 25 2 x 3 Day VIP passes	$805
Harry Duynhoven	WOMAD 2025 Tickets	Given in person at the 2025 TAFT presentation 11 Feb 25 2 x 3 Day VIP passes	$805
Sam Bennett	WOMAD 2025 Tickets	Given in person at the 2025 TAFT presentation 11 Feb 25 2 x 3 Day VIP passes	$805
Bryan Vickery	WOMAD 2025 Tickets	Given in person at the 2025 TAFT presentation 11 Feb 25 2 x 3 Day VIP passes	$805
Marie Pearce	WOMAD 2025 Tickets	Provided by Lisa via envelope as delivered from TAFT 2 x 3 Day VIP passe	$805
Gordon Brown	WOMAD 2025 Tickets	Provided by Lisa via envelope as delivered from TAFT 2 x 3 Day VIP passe	$805

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Name	Gift	Received	Notes
Murray Chong	WOMAD 2025 Tickets	Provided by Lisa via envelope as delivered from TAFT 2 x 3 Day VIP passe11 Feb 25 2 x 3 Day VIP passes	$805
Te Waka McLeod	WOMAD 2025 Tickets	Given in person at the 2025 TAFT presentation 11 Feb 25 2 x 3 Day VIP passes	$805

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

SETTING OF SPEED LIMITS RULE 2024

MATTER / TE WHĀINGA

1. The matter for consideration by the Council is to change permanent 30km/h speed limits around schools to variable 30km/h speed limits as directed by Central Government's Setting of Speed Limits Rule 2024 (the Rule).

RECOMMENDATION FOR CONSIDERATION / NGĀ WHAIKUPU

That having considered all matters raised in the report Council:

a) Revokes the resolution dated 18 February 2025 where Council, conditional on NZTA providing 100 per cent of the necessary funding, resolved to change the permanent 30km/h speed limits at 15 schools to variable 30km/h speed limits and;

b) Approves option 1b, allocating $354,858 of CAPEX to contribute towards the cost of changing the permanent 30km/h speed limit signs and markings at schools and;

c) Approves option 1b, changing the permanent 30km/h speed limits at the following 27 schools to variable 30km/h speed limits in accordance with Section 11.3(1) of the Setting of Speed Limits Rule 2024, in accordance with current local practice:

	Marking Removal	Static Signs	Electronic Signs	**Cost per school**
Bell Block School	4	2	2	**$ 28,800**
Central School Te Kura Waenga O Ngamotu	6	4	2	**$ 32,400**
Coastal Taranaki School	0	2	2	**$ 26,400**
Egmont Village School	2	0	2	**$ 25,200**
Fitzroy School	5	2	3	**$ 41,400**
Huirangi School	1	1	0	**$ 1,800**
Inglewood High School	2	1	1	**$ 14,400**
Inglewood School	3	1	2	**$ 27,000**
Manukorihi Intermediate	1	0	1	**$ 12,600**
Marfell School	2	2	2	**$ 27,600**
Merrilands School	3	3	4	**$ 53,400**
Motorua School	2	0	2	**$ 25,200**
Norfolk School	2	0	2	**$ 25,200**
Oakura School	1	0	1	**$ 12,600**
Omata School	2	0	2	**$ 25,200**
Puketapu School	2	0	2	**$ 25,200**
Sacred Heart Girls' College (New Plymouth)	2	1	1	**$ 14,400**

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

	Marking Removal	Static Signs	Electronic Signs	**Cost per school**
St John Bosco School (New Plymouth)	3	2	2	**$ 28,200**
St Joseph's School (New Plymouth)	2	0	2	**$ 25,200**
St Patrick's School (Inglewood)	0	0	2	**$ 24,000**
St Pius X School (New Plymouth)	4	2	2	**$ 28,800**
Tikorangi School	2	0	3	**$ 37,200**
Urenui School	4	2	2	**$ 28,800**
Waitara Central School	2	2	4	**$ 51,600**
Waitara East School	4	2	2	**$ 28,800**
West End Te Kura O Morere	4	1	2	**$ 27,600**
Westown School	2	0	2	**$ 25,200**
Sub totals	**67**	**30**	**54**	**$ 724,200**

STRATEGY AND OPERATIONS COMMITTEE RECOMMENDATION

2. The Strategy and Operations Committee endorsed the Officers recommendation with an amendment, adding in the following clause:

    d) Notes that changing existing speed limits is inconsistent with the Long Term Plan 2024-2034 KPI to 'provide a local roading network that is safe for all road users by reducing the number of fatality and serious injury crashes.

CLIFTON COMMUNITY BOARD RECOMMENDATION

3. The Clifton Community Board recommend that, Council:

    a) Does not comply with the Setting of Speed Limits Rule 2024 and retains the existing speed limits around schools, and

    b) Advocates to the Ministry of Transport to pursue an alternative solution given the current fiscal environment and safety concerns.

WAITARA COMMUNITY BOARD RECOMMENDATION

4. The Waitara Community Board recommend that Council resolution of 18 February 2025 (C/2025/180 Setting of Speed Limits Rule 2024) not be revoked as this retains the safest speed limit restrictions outside schools.

INGLEWOOD COMMUNITY BOARD RECOMMENDATION

5. The Inglewood Community Board endorsed the Strategy and Operations Committee's Recommendation.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

PUKETAPU-BELL BLOCK COMMUNITY BOARD RECOMMENDATION

6. The Puketapu-Bell Block Community Board endorsed the Officer's recommendation, subject to the following:

    d) Note the there is opportunity to consider rationalisation of number of electronic signs depending on road type and the Board therefore recommend, that the existing static speed signs at Bell Block and Puketapu Schools be replaced with static variable speed signs rather than variable electronic signs, subject to consultation with each school and evidence of electronic sign benefit.

KAITAKE COMMUNITY BOARD RECOMMENDATION

7. The Kaitake Community Board recommend that Council:

    a) Revoke the resolution dated 18 February 2025 where Council, conditional on NZTA providing 100 per cent of the necessary funding, resolved to change the permanent speed limits at 15 schools; and approve changing all (27) permanent 30km/h speed limits around schools to variable 30km/h speed limits in full compliance with the Rule; and

    b) Approves option 1a, allocating $69,090 of CAPEX (being the local share and 49% of the total cost) to be spent on changing road markings and providing static signs to comply with the Rule.

TE HUINGA TAUMATUA RECOMMENDATION

8. Te Huinga Taumatua endorsed the Strategy and Operations Committee Recommendation.

COMPLIANCE / TŪTOHU	
Significance	This matter is assessed as being of moderate importance
Options	This report identifies and assesses the following reasonably practicable options for addressing the matter: 1. Revoke the resolution dated 18 February 2025 where Council, conditional on NZTA providing 100 per cent of the necessary funding, resolved to change the permanent speed limits at 15 schools; and approve changing **all** (27) permanent 30km/h speed limits around schools to variable 30km/h speed limits in full compliance with the Rule; and a) allocate **$69,090** of CAPEX (being the local share and 49% of the total cost) to be spent on

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

COMPLIANCE / TŪTOHU	
	changing road markings and providing **static signs** to comply with the Rule. **OR** b) allocate **$354,858** of CAPEX (being the local share and 49% of the total cost) to be spent on changing road markings and providing **static and electronic signs** to comply with the Rule and meet current local practice **OR** c) allocate **$513,618** of CAPEX (being the local share and 49% of the total cost) to be spent on changing road markings and providing **electronic signs** to comply with the Rule and meet best practice
Affected persons	The persons who are affected by or interested in this matter are the residents of New Plymouth District.
Recommendation	This report recommends **Option 1(b)**.
Long-Term Plan / Annual Plan Implications	Yes. All of the options are unfunded in the Annual Plan 2025/26 however if Option 1(a) was chosen council officers are confident that the necessary funds can be found within existing budgets. Options 1(b) and 1(c) can only be funded by delaying other transport programmes.
Significant Policy and Plan Inconsistencies	Yes. All of the Options are inconsistent with the commitment in the Long-Term Plan to provide a local roading network that is safe for all road users.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

EXECUTIVE SUMMARY / WHAKARĀPOPOTOTANGA MATUA

9. This report presents options for the New Plymouth District Council (NPDC) to comply with the Setting of Speed Limits Rule 2024 (the Rule) as directed by Central Government, which mandates the implementation of variable 30km/h speed limits outside schools by 1 July 2026. Currently, 72 roads serving 27 schools in the district have permanent 30km/h limits.

10. In February 2025, Council conditionally approved a phased implementation of variable speed limits at 15 schools, contingent on full funding from NZTA. However, NZTA has since confirmed it will only fund 51% of the costs up to total amount of $559,035 (being 51% of the original cost projection of $1,096,147).

11. After careful consideration of the need for Council to follow legislative requirements, this report outlines one option that has been broken into three parts for the purposes of comparison and readability, these are:

    Option 1(a) Change the speed limits at 27 schools by allocating $69,090 of CAPEX to be spent on changing road markings and providing static signs to comply with the Rule.

    Or

    Option 1(b) Change the speed limit at 27 schools by allocating $354,858 of CAPEX to be spent on changing road markings and providing static and electronic signs to comply with the Rule and meet current local practice.

    Or

    Option 1(c) Change the speed limit at 27 schools by allocating $513,618 of CAPEX to be spent on changing road markings and providing electronic signs to comply with the Rule and meet best practice.

12. Changing the existing speed limits to comply with the Rule is inconsistent with the Long-Term Plan 2024-2034 in that this action would not align with the key performance indicators for the transport network to *provide a local roading network that is safe for all road users by reducing the number of fatality and serious injury crashes*.

13. Council is expected to decide on full or partial compliance with the Rule, acknowledging the associated safety risks and funding challenges of static versus electronic signs.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

BACKGROUND / WHAKAPAPA

14. On 30 October 2024, the Setting of Speed Limits Rule 2024 by Central Government came into force, introducing new requirements for local authorities across Aotearoa to implement variable 30km/h speed limits on specified roads outside schools.

15. The New Plymouth District Council identified 72 roads (that serve 27 schools) that meet the definition of "Specified Roads" under the Rule, which have had permanent 30km/h limits established since 1 January 2020.

16. Following technical and safety assessments, a report was presented to Council on 18 February 2025. Council resolved to adopt the option which involved a phased implementation of variable 30km/h speed limits at 15 schools. Council's resolution was conditional on receiving 100% funding from NZTA for the estimated $286,950 required to implement the changes. The Council resolved to make this change, if fully funded by 1 July 2026, acknowledging that this would not fully comply with the statutory deadlines of 1 May 2025 (for setting limits) and 1 July 2025 (when the Rule is meant to be in force by).

Update on NZTA Funding

17. Since the February 2025 meeting, NZTA has confirmed that it will only fund 51% of the implementation costs through the National Land Transport Fund, in line with the standard Financial Assistance Rate (FAR), up to $559,035 (i.e. total budget of $1,096,147 if the 49% NPDC share is applied).

18. NZTA's funding decision necessitates a reassessment of the financial implications for Council and whatever Option is chosen will require reallocation of existing budgets to proceed with the planned implementation to ensure Council meets the requirements of the Rule.

What are other Road Controlling Authorities doing?

19. The Rule has prompted a range of responses from Road Controlling Authorities (RCAs) across Aotearoa. While the rule mandates the reversal of certain speed limit reductions and the implementation of variable speed limits outside all schools, councils have adopted varying approaches based on local priorities, funding availability, and community feedback.

20. Auckland Transport has taken the most extensive action, reversing speed limits on approximately 1,500 roads. However, this has drawn criticism from groups due to the confusing signage from static signs. Wellington and Hamilton City Councils will implement variable speed limits near schools to comply with the Rule and the signs will be a mix of static and electronic depending on business of roads and visibility. Whanganui District Council are not implementing the Rule.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

The difference between static and electronic road signs

21. Static speed limit signs that detail the applicable times are a compliant and low cost option but are considered to be less conspicuous than electronic signs and, in some applications, can be difficult for passing motorists to read[1], leading to distraction, non-compliance, and can be challenging to enforce.

22. In contrast, electronic speed limit signs provide dynamic, real-time information which is more conspicuous leading to less distraction, greater levels of compliance, and improved safety. Although electronic signs are industry best practice, they come with higher installation and maintenance costs. Electronic speed limit signs are more than 10 times the cost of static signs and their expected life is only 10 years. If, for example, Council were to approve the provision of an additional 84 signs, Councils maintenance budgets (OPEX) would need to increase by approximately $100,800 annually to account for the eventual replacement costs.

CLIMATE CHANGE IMPACT AND CONSIDERATIONS / HURINGA ĀHUARANGI

23. Our current supply chain sources electronic speed limit signs from Europe whereas static signs are designed and manufactured in Aotearoa. Meaning that the impact of acquiring these heavier and larger electronic signs from overseas is greater when compared to acquiring static signs.

NEXT STEPS / HĪKOI I MURI MAI

24. Should Council endorse the proposed changes to speed limits at schools, officers will

    a) Notify NZTA of the changes and update the National Speed Limits Register (NSLR) which details the scope and date that the changed speed limits come into force.

    b) Develop a program for implementation detailing the infrastructure needed (see Appendix 2) and a plan for installation to align with the NSLR timeframes.

SIGNIFICANCE AND ENGAGEMENT / KAUPAPA WHAKAHIRAHIRA

25. In accordance with Council's Significance and Engagement Policy, this matter has been assessed as being of moderate importance because, although this is largely an administrative matter to meet its statutory obligations, costs do not come withing budgeted expenditure.

[1] School speed signs slammed as too hard to read - and even wrong

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

OPTIONS / KŌWHIRINGA

26. There are three reasonably practicable options in terms of the Rule:

    Revoke the resolution dated 18 February 2025 where Council, conditional on NZTA providing 100 per cent of the necessary funding, resolved to change the permanent speed limits at 15 schools; and approve changing all (27) permanent 30km/h speed limits around schools to variable 30km/h speed limits in full compliance with the Rule:

    And

    1a) allocate $69,090 of CAPEX (being the local share and 49% of the total cost) to be spent on changing road markings and providing static signs to comply with the Rule.

    Or

    1b) allocate $354,858 of CAPEX (being the local share and 49% of the total cost) to be spent on changing road markings and providing static and electronic signs to comply with the Rule and meet current local practice

    Or

    1c) allocate $513,618 of CAPEX (being the local share and 49% of the total cost) to be spent on changing road markings and providing electronic signs to comply with the Rule and meet best practice

27. The previous resolution of partial compliance is no longer considered practicable as they would not comply with the Rule.

Statutory Responsibilities / Ngā Haepapa ā-ture

28. As a statutory body, the Council is legally required to follow Central Government legislation, even if it disagrees with its purpose or intent.

29. The Rule states that RCAs must make all reasonable efforts to comply with the Rule by 1 July 2026 and it is anticipated that Council will be able to meet this deadline whether static or electric signs are chosen.

Consistency with Policies and Plans / Te Paria i ngā Kaupapa Here me ngā Mahere

30. Changing the existing speed limits to comply with the Rule is inconsistent with the Long-Term Plan 2024-2034 in that this action would not align with the key performance indicators for the transport network to *provide a local roading network that is safe for all road users by reducing the number of fatality and serious injury crashes*.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

31. Changing the existing speed limits to comply with the Rule also does not align with the Emissions Reduction Plan as doing so is considered to discourage the community to considering lower carbon transport options like walking and cycling.

Participation by Māori / Te Urunga o Ngāi Māori

32. Iwi have not participated in the matter as compliance with the Rule is a statutory requirement that does not leave room for participation by Māori.

Community Views and Preferences / Ngā tirohanga me Ngā Mariu ā-hāpori

33. There is no requirement under the transitional provisions of the Setting of Speed Limits Rule 2024 to consult with the community on changing from permanent to variable speed limits at schools.

34. The most recent community engagement on speed limits near schools resulted in a total of 1,252 responses with 89% of respondents either in support or strongly in support of safer speeds outside schools. It should be noted that the community was not specifically asked if safer speeds outside schools should be in the form of variable or permanent speed limits.

Alternative options considered by Council Officers

35. Further options were considered by Council officers but viewed as not reasonably practicable due to their non-compliance with the Rule, these were:

    a) Do not comply with the Setting of Speed Limits Rule 2024 and retain the existing speed limits around schools and advocate to the Ministry of Transport to pursue another solution given the current fiscal environment and safety concerns.

    b) Approve changing some (15) permanent 30km/h speed limits around schools to variable 30km/h speed limits in compliance with the Rule.

    c) Approve changing all permanent 30km/h speed limits around schools to variable 30km/h speed limits in compliance with the Rule but postpone the decision regarding static or electronic signs until the Annual Plan 2026/27.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

36. These options are canvassed below for completeness.

37. Not approving all or postponing a change to school speed limits would constitute a breach of the Setting of Speed Limits Rule 2024 and may result in the Minister of Transportation imposing a financial penalty on Council for non-compliance. Like in all matters before it, as a statutory body, Council must comply with all legislative requirements including secondary legislation such as Rules even if it disagrees with its purpose or intent.

38. The Ministry of Transport opened consultation for the Rule in 2024 and Council provided feedback on 11 July 2024 outlining the reasons it did not support the speed limit proposals. Several RCAs around Aotearoa have submitted similar feedback and spoken to the media about the Rule changes. Although Council and other RCAs have publicly stated they do not support the Rule changes, the Ministry of Transport has not changed its position and requires that the Rule be implemented.

39. While non-compliance with the Rule may support the vision of a Sustainable Lifestyle Capital—by improving safety near schools and aligning with the Long-Term Plan 2024–2034 goal of a safer local roading network—it does not outweigh the Council's obligation to comply with Central Government rules. Therefore, non-compliance is not considered a reasonably practicable option.

40. Therefore, these options are not considered reasonably practicable because they do not comply with the law.

Risk Analysis / Tātaritanga o Ngā Mōrearea

41. There is no regulatory risk if Council adopts Option 1(a), (b), or (c) as it would constitute full compliance with the Rule.

42. Should Council endorse Option 1(a), (b), or (c), the risk to users who visit or access some (12) schools outside of normal school hours is likely to increase.

43. Endorsing Option 1(a), (b), or (c), may be viewed unfavourably by some in the community concerned about child safety, potentially leading to reputational risks for the Council.

Financial and Resourcing Implications / Ngā Hīraunga ā-pūtea, ā-rauemi

44. Should Council endorse Option 1(a) and approve static signs, $69,090 of CAPEX will need to be found from existing budgets to allow for changes to signage and markings. This cost is based on the 'do-minimum' option of only changing road markings and installing static signage.

45. Council officers are confident that the $69,090 necessary to implement Option 1(a) can be found within existing budgets.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

46. A disadvantage of static signs is that they can be confusing and hard to read for motorists which increases risks around schools. Electronic road signs are best practice when there are variable speed limits.

47. A budget for implementing the Rule was not included in the Annual Plan because at the time Council was waiting to see if NZTA would fund 100% of costs. NZTA has since confirmed that it will fund all the changes at the normal financial assistance rate of 51%.

48. Should Council endorse Option 1(b) $354,858 of CAPEX will need to be found from other projects to allow for electronic signage and changes to markings. This cost if based on the option of installing electronic signage on higher volume roads and static signs on lower volume roads near schools, which is current local practice.

49. Should Council endorse Option 1(c) $513,618 of CAPEX will need to be reallocated from existing budgets to allow for changes to signage and markings. This cost is based on the best practice option of installing electric signage at all locations.

Promotion or Achievement of Community Outcomes / Hāpaitia / Te Tutuki o Ngā Whāinga ā-hāpori

50. Keeping permanent 30km/h speed limits around schools at all times supports the vision of a Sustainable Lifestyle Capital supporting safe and active communities by having improved safety near schools.
51. Complying with statutory obligations promotes the community outcome of trust in Council.

Consistency with Policies and Plans / Te Paria i ngā Kaupapa Here me ngā Mahere

52. Changing the existing speed limits to comply with the Rule is inconsistent with the Long-Term Plan 2024-2034 key performance indicator to "*provide a local roading network that is safe for all road users by reducing the number of fatality and serious injury crashes"* and also does not align with the NPDCs Emissions Reduction Plan.

53. Electric signs in variable speed zones is industry best practice.

Statutory Responsibilities / Ngā Haepapa ā-ture

54. Council Officers are optimistic that the signs (static or electric) for the 27 schools will be delivered and installed by 1 July 2026 meeting the statutory requirement to demonstrate Council has made reasonable endeavours to comply with the Rule's deadline.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Advantages and Disadvantages / Ngā Huanga me Ngā Taumahatanga.

55. The advantages and disadvantages in relation to endorsing Option 1(a), (b), and (c) are:

a) Council will not be following the safety recommendation of its in-house Transportation and Safety Engineer, however Council will be complying with the legislative requirements of Central Government.

b) Implementation of the Rule has been unbudgeted for in the 2025/26 Annual Plan and Council will need to find funds to pay for the changes.

c) Static signs, as per Option 1(a), and (b), can be confusing and hard to read for motorists which increases risks around schools.

a) Travelling speeds would increase past schools at off-peak times, increasing the risk to vulnerable road users.

SUMMARY / WHAKARĀPOPOTOTANGA

	Opt. 1(a)	**Opt. 1(b)**	**Opt. 1(c)**
Statutory Responsibilities	✓	✓	✓
Participation by Māori	*n/a*	*n/a*	*n/a*
Risk Analysis (road user safety)	✗✗✗	✗✗	✗
Financial and Resourcing Implications	-	✗	✗✗
Promotion or Achievement of Community Outcomes	✓	✓	✓
Consistency with Policies and Plans	✗	✗	✗✗
Community Views and Preferences	✗	✗	✗
Advantages and Disadvantages	✗✗	✓	✗

KEY: ✗ Negative effect, ✓ Positive effect, - Neutral

Recommended Option
This report recommends **Option 1(b)** for addressing the matter.

APPENDICES / NGĀ ĀPITIHANGA

Appendix 1 Estimate of Costs Associated with Changing to Variable Speed Limits (ECM 9521685)

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Report Details

Team:	Corporate Innovation
Approved By:	Jacqueline Baker (General Manager Corporate Innovation) and Sarah Downs (General Manager Operational Excellence)
Ward/Community:	District Wide
Date:	17 June 2025
File Reference:	ECM 9515767

----------End of Report ----------

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

SETTING OF SPEED LIMITS RULE 2024

APPENDIX 2 - ESTIMATE OF COSTS ASSOCIATED WITH CHANGING TO VARIABLE SPEED LIMITS.

1. The following estimate has been developed to detail the changes to signs and markings for each school should Council endorse option 2.

Road name and School	Marking Removal	Cost	Static	Cost	Electronic	Cost	Cost per road	**Cost per school**
CHESNEY STREET (Bell Block School)	1	$ 600		$ -		$ -	$ 600	
WYNYARD STREET (Bell Block School)	1	$ 600	1	$ 1,200		$ -	$ 1,800	
BELL BLOCK COURT (Bell Block School)	1	$ 600		$ -	1	$ 12,000	$ 12,600	
MURRAY STREET (Bell Block School)	1	$ 600	1	$ 1,200	1	$ 12,000	$ 13,800	**$ 28,800**
PENDARVES STREET (Central School Te Kura Waenga O Ngamotu)	2	$ 1,200	2	$ 2,400		$ -	$ 3,600	
LEMON STREET (Central School Te Kura Waenga O Ngamotu)	2	$ 1,200	2	$ 2,400		$ -	$ 3,600	
GOVER STREET (Central School Te Kura Waenga O Ngamotu)	2	$ 1,200		$ -	2	$ 24,000	$ 25,200	**$ 32,400**
CARTHEW STREET (Coastal Taranaki School)		$ -	1	$ 1,200		$ -	$ 1,200	
CURTIS STREET (Coastal Taranaki School)		$ -	1	$ 1,200		$ -	$ 1,200	
OXFORD STREET (Coastal Taranaki School)		$ -		$ -	2	$ 24,000	$ 24,000	**$ 26,400**
EGMONT ROAD (Egmont Village School)	2	$ 1,200		$ -	2	$ 24,000	$ 25,200	**$ 25,200**
BARRIBALL STREET (Fitzroy School)	2	$ 1,200		$ -	2	$ 24,000	$ 25,200	
VOGEL STREET (Fitzroy School)	1	$ 600	1	$ 1,200		$ -	$ 1,800	
RICHMOND STREET (Fitzroy School)	1	$ 600	1	$ 1,200		$ -	$ 1,800	
CLEMOW ROAD (Fitzroy School)	1	$ 600		$ -	1	$ 12,000	$ 12,600	**$ 41,400**
BAYLEY STREET (Huirangi School)	1	$ 600	1	$ 1,200		$ -	$ 1,800	**$ 1,800**
KELLY STREET (Inglewood High School)	1	$ 600		$ -	1	$ 12,000	$ 12,600	
REWA STREET (Inglewood High School)	1	$ 600	1	$ 1,200		$ -	$ 1,800	
KOHE PLACE (Inglewood High School)		$ -		$ -		$ -	$ -	**$ 14,400**
KELLY STREET (Inglewood School)	2	$ 1,200		$ -	2	$ 24,000	$ 25,200	
HINAU STREET (Inglewood School)	1	$ 600	1	$ 1,200		$ -	$ 1,800	**$ 27,000**
MANUKORIHI ROAD (Manukorihi Intermediate)	1	$ 600		$ -	1	$ 12,000	$ 12,600	**$ 12,600**
ENDEAVOUR STREET (Marfell School)	2	$ 1,200	1	$ 1,200		$ -	$ 2,400	
PAHARAMA PLACE (Marfell School)		$ -	1	$ 1,200		$ -	$ 1,200	
OMATA ROAD (Marfell School)		$ -		$ -	2	$ 24,000	$ 24,000	**$ 27,600**
KARAKA STREET (Merrilands School)	1	$ 600		$ -	2	$ 24,000	$ 24,600	
KELLYVILLE HEIGHTS (Merrilands School)		$ -	1	$ 1,200		$ -	$ 1,200	
MIRO STREET (Merrilands School)		$ -	1	$ 1,200		$ -	$ 1,200	
LISMORE STREET (Merrilands School)	2	$ 1,200	1	$ 1,200		$ -	$ 2,400	
KAURI STREET (Merrilands School)		$ -		$ -	2	$ 24,000	$ 24,000	**$ 53,400**
WESTON STREET (Moturoa School)		$ -		$ -		$ -	$ -	
HARBOUR STREET (Moturoa School)		$ -		$ -		$ -	$ -	
PIONEER ROAD (Moturoa School)	2	$ 1,200		$ -	2	$ 24,000	$ 25,200	**$ 25,200**
NORFOLK ROAD (LOWER) (Norfolk School)	2	$ 1,200		$ -	2	$ 24,000	$ 25,200	**$ 25,200**
DONNELLY STREET (Oakura School)	1	$ 600		$ -	1	$ 12,000	$ 12,600	
HUSSEY STREET (Oakura School)		$ -		$ -		$ -	$ -	**$ 12,600**

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Road name and School	Marking Removal	Cost	Static	Cost	Electronic	Cost	Cost per road	**Cost per school**
HOLLOWAY ROAD (Omata School)	2	$ 1,200		$ -	2	$ 24,000	$ 25,200	**$ 25,200**
JADE PLACE (Puketapu School)		$ -		$ -		$ -	$ -	
MARALYN PLACE (Puketapu School)		$ -		$ -		$ -	$ -	
DILLON DRIVE (Puketapu School)	2	$ 1,200		$ -	2	$ 24,000	$ 25,200	**$ 25,200**
PUKAKA STREET (Sacred Heart Girls' College (New Plymouth))		$ -		$ -		$ -	$ -	
WAIWAKA STREET (Sacred Heart Girls' College (New Plymouth))	1	$ 600	1	$ 1,200		$ -	$ 1,800	
NEVE STREET (Sacred Heart Girls' College (New Plymouth))		$ -		$ -		$ -	$ -	
PAYNTERS AVENUE (Sacred Heart Girls' College (New Plymouth))	1	$ 600		$ -	1	$ 12,000	$ 12,600	**$ 14,400**
NGAIO STREET(St John Bosco School (New Plymouth))		$ -	1	$ 1,200		$ -	$ 1,200	
PAYNTERS AVENUE (St John Bosco School (New Plymouth))	1	$ 600		$ -	1	$ 12,000	$ 12,600	
DARNELL STREET (St John Bosco School (New Plymouth))	1	$ 600	1	$ 1,200		$ -	$ 1,800	
CLINTON STREET (St John Bosco School (New Plymouth))	1	$ 600		$ -	1	$ 12,000	$ 12,600	**$ 28,200**
MOULTON STREET EAST (St Joseph's School (New Plymouth))		$ -		$ -		$ -	$ -	
ANNANDALE STREET (St Joseph's School (New Plymouth))		$ -		$ -		$ -	$ -	
CALVERT ROAD (St Joseph's School (New Plymouth))	2	$ 1,200		$ -	2	$ 24,000	$ 25,200	**$ 25,200**
STANDISH STREET (INGLEWOOD) (St Patrick's School (Inglewood))		$ -		$ -	2	$ 24,000	$ 24,000	**$ 24,000**
EXETER STREET (St Pius X School (New Plymouth))	1	$ 600	1	$ 1,200		$ -	$ 1,800	
TORBAY STREET (St Pius X School (New Plymouth))		$ -		$ -		$ -	$ -	
BROOKLANDS ROAD (St Pius X School (New Plymouth))	2	$ 1,200		$ -	2	$ 24,000	$ 25,200	
CORNWALL STREET (St Pius X School (New Plymouth))	1	$ 600	1	$ 1,200		$ -	$ 1,800	**$ 28,800**
NGATIMARU ROAD (Tikorangi School)	2	$ 1,200		$ -	1	$ 12,000	$ 13,200	
INLAND NORTH ROAD (Tikorangi School)		$ -		$ -	2	$ 24,000	$ 24,000	**$ 37,200**
TAKIROA STREET (Urenui School)	1	$ 600		$ -	1	$ 12,000	$ 12,600	
TOTARA STREET (Urenui School)	1	$ 600	1	$ 1,200		$ -	$ 1,800	
NGAKITO STREET (Urenui School)	1	$ 600		$ -	1	$ 12,000	$ 12,600	
WHAKAPAKI STREET (Urenui School)	1	$ 600	1	$ 1,200		$ -	$ 1,800	**$ 28,800**
CRACROFT STREET (Waitara Central School)	2	$ 1,200	2	$ 2,400		$ -	$ 3,600	
MCLEAN STREET (Waitara Central School)		$ -		$ -	2	$ 24,000	$ 24,000	
PARRIS STREET (Waitara Central School)		$ -		$ -	2	$ 24,000	$ 24,000	**$ 51,600**
AIREDALE PLACE (Waitara East School)	2	$ 1,200	1	$ 1,200	1	$ 12,000	$ 14,400	
RICHMOND STREET (EAST) (Waitara East School)	2	$ 1,200	1	$ 1,200	1	$ 12,000	$ 14,400	**$ 28,800**
DAVIES LANE (West End Te Kura O Morere)		$ -		$ -		$ -	$ -	
BONITHON AVENUE (West End Te Kura O Morere)	1	$ 600		$ -	1	$ 12,000	$ 12,600	
GAINE ROAD (West End Te Kura O Morere)	1	$ 600	1	$ 1,200		$ -	$ 1,800	
BELT ROAD (West End Te Kura O Morere)	2	$ 1,200		$ -	1	$ 12,000	$ 13,200	**$ 27,600**
SANDERS AVENUE (Westown School)	2	$ 1,200		$ -	2	$ 24,000	$ 25,200	**$ 25,200**
Sub totals	67	$ 40,200	30	$ 36,000	54	$ 648,000		
							$ 724,200	**Total**
						NZTA share	$ 369,342	51%
						NPDC share	$ 354,858	49%

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

AGREEMENT FOR PAPA RERERANGI I PUKETAPU TO ESTABLISH A SUBSIDIARY COMPANY TO OWN THE SOLAR FARM

MATTER / TE WHĀINGA

1. The matter for consideration by the Council is whether to authorise Para Rererangi i Puketapu (PRIP), as a Council-Controlled Trading Organisation, to establish a subsidiary company (Council Organisation) to own the solar farm located at 161 Airport Drive, New Plymouth.

RECOMMENDATION FOR CONSIDERATION / NGĀ WHAIKUPU

That having considered all matters raised in the report Council:

a) Authorises Papa Rererangi i Puketapu (PRIP) establishing a subsidiary company to own the solar farm.

b) Notes that the directors of PRIP will be appointed as directors of the subsidiary company.

c) Notes that all costs associated with the establishment of a subsidiary company will be met by PRIP.

d) Notes that the solar farm subsidiary constitution will align with the PRIP constitution and will be approved by the NPDC Chief Executive.

STRATEGY AND OPERATIONS COMMITTEE RECOMMENDATION

2. The Strategy and Operations Committee endorsed the Officers recommendation.

TE HUINGA TAUMATUA RECOMMENDATION

3. Te Huinga Taumatua endorsed the Officers recommendation.

COMPLIANCE / TŪTOHU	
Significance	This matter is assessed as being of some importance.
Options	This report identifies and assesses the following reasonably practicable options for addressing the matter: 1. Authorise PRIP establishing a subsidiary company to own the solar farm. 2. Decline PRIP establishing a subsidiary company to own the solar farm.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

COMPLIANCE / TŪTOHU	
Affected persons	The persons who are affected by or interested in this matter are PRIP, Puketapu Hapū, New Plymouth District rate payers and residents, and New Plymouth Airport users.
Recommendation	This report recommends option one for addressing the matter.
Long-Term Plan / Annual Plan Implications	No
Significant Policy and Plan Inconsistencies	No

EXECUTIVE SUMMARY / WHAKARĀPOPOTOTANGA MATUA

4. Papa Rererangi i Puketapu (PRIP), a Council-Controlled Trading Organisation (CCTO) wholly owned by the New Plymouth District Council (NPDC), is developing a 10.02MW solar farm at 161 Airport Drive. To preserve its CCTO status under the Local Government Act 2002 (LGA), PRIP seeks Council approval to establish a wholly owned subsidiary company to own the solar farm.

5. Under the LGA, entities engaged in electricity generation or supply cannot retain CCTO status. If PRIP directly owns the solar farm, it would be reclassified as a Council Organisation (CO), reducing its statutory accountability and reporting obligations to Council. Establishing a subsidiary company will maintain PRIP's CCTO status, ring-fence financial and operational risks, and provide flexibility for future investment opportunities in the solar farm.

6. The proposed subsidiary will be governed by PRIP's existing Board of Directors, and its constitution will align with PRIP's governance framework, subject to approval by the NPDC Chief Executive. All establishment costs for the subsidiary will be borne by PRIP.

7. This proposed organisation structure ensures continued Council oversight of PRIP and the solar farm, supports PRIP's strategic goal to grow and diversify its income, and contributes to the district's decarbonisation efforts by generating renewable energy. The solar farm is expected to be operational by October 2025.

8. Council officers recommend approving PRIP's request to establish the subsidiary company.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

BACKGROUND / WHAKAPAPA

PRIP is developing a solar farm to grow and diversify its income

9. PRIP is a CCTO 100 per cent owned by NPDC. A CCTO is a Council-Controlled Organisation (CCO) that operates a trading undertaking for the purpose of making a profit. PRIP was established in 2017 to operate New Plymouth Airport (the Airport) after the Council purchased the Crown's 50 per cent shareholding.

10. In its 2022 Statement of Expectations, Council directed PRIP to consider all opportunities to grow and/or diversify its sources of income. In response, the PRIP Board developed a business case to construct and operate a 10.02MW solar farm at 161 Airport Drive.

11. On 12 September 2023, Council agreed in principle to grant one or more leases over 161 Airport Drive to PRIP (ref ECM 9022699) for airport related activities, including solar farm development, subject to a business case being presented by PRIP to Council.

12. On 7 May 2024, Council received the solar farm business case that had been approved by the PRIP Board (ref ECM 9204444 – public excluded). At the same meeting, Council granted a lease of approximately 17 Hectares of 161 Airport Drive (CFR 914065) to PRIP for development of a solar farm (ref ECM 9204048). The lease commenced on 24 November 2024.

13. The solar farm will grow and diversify PRIP's income, allow PRIP to be largely self-sufficient for electricity, and will lock in electricity price certainty for the anticipated life of the solar farm (approximately 35 years). The solar farm will significantly reduce the Airport's carbon emissions by generating fully renewable energy, exceeding the Airport precinct's needs. Surplus electricity will be sold to third parties through PRIP's electricity retailer partner, Ecotricity.

14. The 10.02MW solar farm (including the Battery Energy Storage System) was originally scheduled for commissioning and operational handover in January 2026, PRIP advises that practical completion is due to be achieved as early as October 2025.

PRIP is seeking Council approval to incorporate a subsidiary company to own the solar farm

15. On 10 June 2025, NPDC received a letter from PRIP seeking approval to incorporate a subsidiary company to own the solar farm (Appendix 1). The justification is that, under the Local Government Act 2002 (LGA), there is an exclusion that prevents a company (or any corporate body) carrying on an electricity business from being described as a CCO (or CCTO). In other words, **if PRIP owns the solar farm when it is generating or selling electricity then PRIP will lose its status as a CCTO and will be considered a Council Organisation (CO)**.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

16. Section 6(4) of the LGA defines what is not a CCO:

"the following entities are not council-controlled organisations: (a) a body corporate that carries on an electricity business (whether or not that business is its principal or only business) or a trust that is constituted for purposes which include owning or controlling, directly or indirectly, all or part of an electricity company that carries on that business".

17. In owning the solar farm, PRIP will be a generator of electricity and will sell electricity to New Plymouth Airport precinct users and the national grid.

18. Although the term "electricity business" is not defined in the LGA, based on its ordinary meaning and definitions used in other electricity-related legislation, PRIP will be considered an electricity business once the solar farm starts generating electricity.[1] At this point, PRIP will no longer be considered a CCTO and will instead be recognised as a council organisation (CO).

19. The exclusions in section 6(4) of the LGA exist for certain types of entities such as energy companies, port companies, and electricity businesses to avoid a "doubling up" on regulatory and accountability requirements under other legislation. From an LGA perspective, these other legislative requirements are considered sufficient to maintain adequate oversight of these entities.

20. As a CO, PRIP will have a lower degree of accountability and reporting obligations to Council under the LGA compared to what it has currently as a CCTO. However, PRIP will be subject to significant legislative and reporting requirements relating to the solar farm's activity in the electricity industry. Electricity industry participants must comply with the Electricity Industry Act 2010, the Electricity Participation Code 2010, and other related legislation and regulations. The Electricity Authority is the regulatory body that oversees the electricity industry.

There are material differences between a CCTO and a CO

21. The key difference between a CCTO and a CO is the extent of control a local authority has in key decision making of a company through its voting rights or its ability to appoint a share of the company's directors:

    a) A **CCO** is any organisation that a local authority owns or controls at least 50 per cent of the voting rights or has the right to appoint 50 per cent or more of the directors of the company.

[1] The Electricity Industry Act 2010 defines a "business" as "Any undertaking that is carried on whether for gain or reward or not".
"Electricity business" was defined in the Electricity Industry Reform Act 1998, now repealed, as: "an electricity lines business or an electricity supply business or an unseparated electricity business".

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

b) A **CCTO** is a type of CCO that operates a trading undertaking specifically to generate a profit, such as PRIP.

c) A **CO** is any organisation in which a local authority controls any proportion of voting rights or has the right to appoint at least one or more of the directors.

22. The obligations of these entities in the local government sector are compared in the table below.

CCTO	CO
• Must prepare an annual statement of intent meeting all conditions in Schedule 8 of the LGA. • Subject to Parts 1-7 of the Local Government Official Information and Meetings Act 1987 (LGOIMA).[2] • Subject to the Ombudsmen Act 1975[3] and the Official Information Act 1982 (OIA).[4]	• Not required to produce a statement of intent under the LGA. • Not subject to the LGOIMA, Ombudsmen Act, or OIA.
• The local authority must keep a policy on the appointment of CCTO directors and their remuneration. • The local authority must undertake regular performance monitoring of the CCTO.	• The local authority must keep a policy on the appointment of CO directors and their remuneration. • The local authority must undertake regular performance monitoring of the CO.
• The local authority must disclose information regarding the CCTO in its Long-Term Plan, Annual Plan and Annual Report.[5]	• The local authority must name any subsidiary of a CCTO in its Long-Term Plan.[6]
• The local authority must specify in its Statement of Financial Position the sum of amounts invested in CCTO's.[7]	• The local authority must specify in its Statement of Financial Position the sum of amounts invested in CO's.[8]
• A CCTO's financial statements are subject to audits by the Auditor-General who also reports on	• If the CO is a subsidiary of a CCO then the CO's financial statements

[2] Local Government Official Information and Meetings Act 1987, sch 1, pt 1.
[3] Ombudsmen Act 1975, sch 1, pt 3.
[4] Official Information Act 1982, sch 1.
[5] Local Government Act 2002, sch 10.
[6] Local Government Act 2002, sch 10, cl 7.
[7] Local Government (Financial Reporting and Prudence) Regulations 2014, cl 5(3).
[8] Local Government (Financial Reporting and Prudence) Regulations 2014, cl 5(3).

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

CCTO	CO
the CCTO's performance targets with reference to the CCTO's objectives.	are subject to audits by the Auditor-General.[9] • If the CO is controlled by a local authority, then the CO's financial statements are subject to audits by the Auditor-General.[10]

23. If PRIP establishes a subsidiary company to own the solar farm, the subsidiary will be subject to the same accountability and reporting requirements as PRIP under the LGA, even though it will be a CO.[11] This is because the CO will be a "related company" to PRIP and, under the LGA, a "related company" of a CCO is subject to the same requirements regarding directors, planning, monitoring and reporting as the parent CCO. In addition, the subsidiary will be subject to electricity industry requirements.

It is desirable to maintain PRIP's status as a CCTO

24. Council agreed to establish a CCTO to operate New Plymouth Airport on 25 May 2017. This option was recommended by NPDC officers and PWC. Specifically, PWC advised (and officers agreed) that Council's ownership of the Airport and associated governance arrangements should be structured to, among other things:

    a) Enable the Council to exercise effective and appropriate ownership control and monitoring over the Airport.

    b) Enable focus on the Airport's roles and functions.

    c) Ring-fence the Airport's risks and obligations.

25. PWC advised that establishing a CCTO to operate the Airport aligns with how most other local authorities own and govern their regional airports.

26. As a CCTO, PRIP's accountability and reporting requirements under the LGA are appropriate given Council's equity securities held in PRIP are a strategic asset and the Airport is an essential infrastructure asset that serves the needs of the Taranaki region.

[9] Local Government Act 2002, s 70.
[10] Public Audit Act 2001, sections 5 and 14, and Companies Act 1993, section 7.
[11] Section 72 of the LGA states that sections 57-71 of the LGA (which relate to CCOs) also apply to a company if it is a "related company" of a CCO. The definition of a "related company" in section 2 of the Companies Act 1993 includes a subsidiary.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

27. **Permitting PRIP's status to change from a CCTO to a CO would result in PRIP's accountability and reporting requirements under the LGA being reduced**, which may result in a reduction in practical oversight of PRIP by the Council. While this could be mitigated by Council requiring commensurate accountability and reporting requirements via PRIP's constitution, these would no longer be legislative obligations.

28. A CO that is a subsidiary of a CCTO will have the same accountability and reporting requirements under the LGA as a CCTO, however, a CO on its own will not.

There are other advantages to a PRIP subsidiary company owning the solar farm

29. **Compliance with Electricity Industry requirements:** The subsidiary will be subject to extensive legislative and regulatory requirements governing participants in the electricity industry. Having a separate solar farm business will clearly distinguish the solar farm's compliance with electricity industry requirements from the Airport.

30. **Limited liability:** In most cases, the liability of the subsidiary company will be limited to its own actions, even with the extent of control that will be exercised over its affairs through PRIP as parent company. Debts will also be kept separate from PRIP which will protect the Airport's core assets.

31. **Separation of risks:** Having separate companies owning the New Plymouth Airport and the solar farm provides a clear division between PRIP's usual airport business and matters relating to managing a commercial solar farm. Separating the solar farm's affairs from airport operations will separate any risks associated with the two different businesses.

32. **Greater flexibility for future investment:** Establishing a subsidiary company to own the solar farm will create greater flexibility and reduce risk for potential future investment opportunities relating to the solar farm. This may include having third-party equity investors acquiring a stake or investing directly in the solar farm, subject to Council approval.

PRIP subsidiary company's structure

33. If PRIP incorporates a subsidiary company to own the solar farm, PRIP will be the sole shareholder of the solar farm. The Council will retain visibility and appropriate shareholder control over major decisions concerning the solar farm. The Council will also have indirect influence through its 100 per cent shareholding in PRIP and via the subsidiary's constitution, subject to its provisions.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

34. As a CO, NPDC does not legally need to retain at least 50 per cent of the voting share or the ability to appoint at least 50 per cent of the directors. However, as the sole shareholder of PRIP (the solar farm's parent company), Council can be assured that any significant corporate changes cannot be made without its prior approval.

35. PRIP is governed by an independent skills-based Board of directors appointed by Council and employs its own Chief Executive and staff. The subsidiary's board will consist of the directors of PRIP, whose fees are set by Council as per NPDC's Appointment and Remuneration of Directors of Council Organisations Policy and paid by PRIP. It is possible that becoming directors of the subsidiary may result in an increase to directors' remuneration at the next external remuneration review, subject to the necessary resolution of Council. It is likely however that this would be linked to the operation of a solar farm rather than having a subsidiary company, and so either option could result in an increase. Any increase in directors' remuneration will cost less than it would to appoint a separate board to govern the subsidiary.

36. We understand that PRIP intends to maintain its existing management structure to operate the Airport and the solar farm, and to manage associated contracts.

37. PRIP will be responsible for the primary management and monitoring of the performance of the subsidiary on behalf of NPDC. However, as explained above, the subsidiary will be subject to the same accountability and reporting requirements as PRIP under the LGA. To ensure the LGA requirements are met, information regarding the subsidiary will be reported to Council annually through PRIP's Statement of Intent, in an annual report, and half-yearly or quarterly reports.[12] Council can provide direction on reporting requirements for the subsidiary company in PRIP's Statement of Expectations, or a separate Statement of Expectations for the subsidiary.

38. PRIP advises that ownership of the current electrical network through the lease area, along with its extension upstream to allow direct connection to the solar farm, will remain with PRIP. The subsidiary will own the solar farm assets, including the cables that connect it to PRIP's electricity network.

39. Council's lease of 161 Airport Drive to PRIP will also apply to any PRIP subsidiary.

PRIP subsidiary company's constitution

40. Subject to Council approval, PRIP will incorporate a new subsidiary company, appoint the PRIP directors to the subsidiary's board, and finalise a constitution with the NPDC Chief Executive.

[12] Local Government Act 2002, see sections 66-68, and Schedule 8.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

41. The subsidiary's constitution will provide a set of rules for governing the actions of the solar farm and will ensure the governance structure between both companies and NPDC is clear.

42. The subsidiary's constitution will align with PRIP's constitution and include provisions to ensure there can be no other shareholders of the subsidiary (other than PRIP) unless prior approval from PRIP and Council is obtained.

CLIMATE CHANGE IMPACT AND CONSIDERATIONS / HURINGA ĀHUARANGI

43. Once operational, the solar farm will produce sufficient renewable energy to meet the Airport's needs and have surplus electricity to put back into the national grid or direct to other users. By generating fully renewable energy, the solar farm will significantly reduce the Airport's carbon emissions.

NEXT STEPS / HĪKOI I MURI MAI

44. Subject to Council approval, PRIP will establish a subsidiary company to own the solar farm and will appoint the PRIP directors to the subsidiary's board.

45. Officers will work with PRIP and their legal advisors to finalise the subsidiary's constitution, which will be based on the PRIP Constitution and approved by the NPDC Chief Executive.

SIGNIFICANCE AND ENGAGEMENT / KAUPAPA WHAKAHIRAHIRA

46. In accordance with Council's Significance and Engagement Policy, this matter has been assessed as being of some importance because the equity securities held in PRIP are a strategic asset and the solar farm represents both a material diversification and growth initiative for PRIP and a significant decarbonisation initiative for the district.

47. This report does not propose anything that will affect the operations of the Airport or the solar farm, nor does it propose material changes to Council's equity securities in PRIP or the solar farm. Under both options, Council retains its 100 per cent shareholding of PRIP and the solar farm.

48. While the LGA requires public consultation to be undertaken before a local authority establishes a CCTO, public consultation is not required to disestablish a CCTO.[13] However, local authorities have a broad responsibility to engage with their communities and consider their views in making decisions. Therefore, even though public consultation is not legally required to disestablish a CCTO, given that Council's equity securities in PRIP are a strategic asset, Council should consider the community's views and engage with them before resolving to allow PRIP's CCTO status to end.

[13] Section 56, LGA 2002.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

49. Under the LGA, public consultation is not required to establish a CO. The Council's equity securities in the solar farm do not amount to a strategic asset and creating a subsidiary company to own the solar farm will not significantly impact the community. Therefore, we do not believe the Council needs to undertake public consultation if it chooses to proceed with option one.

OPTIONS / KŌWHIRINGA

50. There are two reasonably practicable options.

Option 1 Authorise PRIP establishing a subsidiary Council Organisation to own the solar farm business.

Option 2 Decline PRIP establishing a subsidiary company to own the solar farm

Both options are considered together and separately below.

Financial and Resourcing Implications / Ngā Hīraunga ā-pūtea, ā-rauemi

51. There are no direct financial or resourcing implications for Council associated with either option. The costs of establishing a subsidiary company will be covered by PRIP. As a CCTO, PRIP does not directly receive rates funding.

Participation by Māori / Te Urunga o Ngāi Māori

52. The solar farm development is of interest to Puketapu hapū who have provided their support for the project. The proposals in this report do not materially change the operations of the Airport or the solar farm.

53. PRIP is working with Puketapu hapū to develop a name for the subsidiary company.

Promotion or Achievement of Community Outcomes / Hāpaitia / Te Tutuki o Ngā Whāinga ā-hāpori

54. Both options promote the community outcomes of environmental excellence and prosperity. Once operational, the solar farm will produce sufficient renewable energy to meet the Airport's needs and enhance the resilience of the Airport as an infrastructure asset. Surplus electricity will be put back into the national grid or directed to other users for a return. By generating and supplying renewable energy, the solar farm will not only expand and diversify PRIP's income, it will also support New Zealand's environmental sustainability and economic growth.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Option 1 Authorise PRIP establishing a subsidiary Council Organisation to own the solar farm business.

Risk Analysis / Tātaritanga o Ngā Mōrearea

55. Granting approval for PRIP to establish a subsidiary company to own the solar farm is low risk to the Council. Option 1 does not propose anything that will materially affect the operations of the Airport or the solar farm, nor does it propose material changes to Council's equity securities in the Airport or the solar farm. This option proposes that the solar farm is owned by a separate, subsidiary legal entity to PRIP, with PRIP's directors also being the directors of the subsidiary.

Promotion or Achievement of Community Outcomes / Hāpaitia / Te Tutuki o Ngā Whāinga ā-hāpori

56. Approving PRIP's establishment of a subsidiary company to own the solar farm will create greater flexibility and reduced risk for potential future investment or expansion opportunities relating to the solar farm. This structure will open up the solar farm to opportunities to realise its full potential and contribute to economic growth and long-term prosperity.

Statutory Responsibilities / Ngā Haepapa ā-ture

57. Option 1 meets the Council's and PRIP's legislative obligations in relation to PRIP and the solar farm under the LGA.

58. As outlined in the report, if PRIP establishes a subsidiary company to own the solar farm, the subsidiary will be subject to the same accountability and reporting requirements as PRIP under the LGA, even though it will be a CO. There are also significant legislative requirements involved when operating an electricity business due to being a participant in the electricity industry.

59. PRIP will lose its legal status as a CCTO if it does not establish a subsidiary to own the solar farm.

Consistency with Policies and Plans / Te Paria i ngā Kaupapa Here me ngā Mahere

60. Option 1 is consistent with NPDC's Long-Term Plan (LTP) 2024-2034 which describes PRIP as a separate CCTO whose prime purpose is to operate the Airport on a sustainable commercial basis, to optimise the use of its assets and generate a reasonable return on investment.

61. This option is consistent with NPDC's Appointment and Remuneration of Directors of Council Organisations Policy.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Community Views and Preferences / Ngā tirohanga me Ngā Mariu ā-hāpori

62. This report does not propose anything that will materially affect the operations of the Airport or the solar farm, nor does it propose material changes to Council's equity securities in the Airport or the solar farm. Option 1 proposes that the solar farm is owned by a separate, subsidiary legal entity to PRIP.

63. While the LGA requires public consultation to be undertaken before a local authority establishes a CCTO, this is not required when disestablishing a CCTO or establishing a CO.[14] The Council's equity securities in the solar farm do not amount to a strategic asset and creating a subsidiary company to own the solar farm will not significantly impact the community. Therefore, we do not believe the Council needs to undertake public consultation if it chooses to proceed with this option.

Advantages and Disadvantages / Ngā Huanga me Ngā Taumahatanga.

64. The advantages of PRIP establishing a subsidiary company to own the solar farm (option 1) are:

    a) **PRIP maintains its CCTO status**: PRIP's current legal and governance structure is preserved, while maintaining the same level of accountability and reporting to the Council under the LGA.

    b) **Compliance and liability management:** Ensures clear compliance with electricity industry regulations and limits liability to the subsidiary.

    c) **Reduces risk:** Separates the financial and operational risks of the solar farm from the Airport's core business.

    d) **Supports investment flexibility:** Enables future investment opportunities in the solar farm.

65. A disadvantage of option 1 is that the creation of a new legal entity to own the solar farm may be perceived as adding complexity to Council's governance arrangements. This perception may be exacerbated by the subsidiary being subject to the same accountability and reporting requirements as PRIP under the LGA. However, we expect there will be ways for PRIP to rationalise these processes while still meeting the LGA requirements. Council has the opportunity to provide direction on reporting requirements for the subsidiary company in PRIP's Statement of Expectations, or a Statement of Expectations for the subsidiary.

[14] Section 56, LGA 2002.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Option 2 Decline PRIP establishing a subsidiary company to own the solar farm

Risk Analysis / Tātaritanga o Ngā Mōrearea

66. Declining PRIP's request to establish a subsidiary company to own the solar farm presents a risk to the Council in that it will result in PRIP's legal status changing from a CCTO to a CO. As a CO, PRIP's accountability and reporting requirements to Council under the LGA would be reduced.

67. The key differences between a CCTO and a CO are the extent of voting rights held by one or more local authority, and the proportion of directors one or more local authority has the right to appoint. Not establishing a subsidiary to own the solar farm business and, consequently, altering the status of PRIP from a CCTO to a CO, could create concern in the community about Council potentially looking to divest some of its shares or influence in PRIP in the future.

Promotion or Achievement of Community Outcomes / Hāpaitia / Te Tutuki o Ngā Whāinga ā-hāpori

68. Declining the request for PRIP to establish a subsidiary company may make it more challenging for PRIP to pursue potential investment opportunities for the solar farm. The Airport and the solar farm will be owned by the same company and not ring-fenced from each other. This structure may influence PRIP's risk appetite for future investment opportunities relating to the solar farm due to their potential impact on the Airport. This may result in missed opportunities to realise the solar farm's full potential and contribute to economic growth and long-term prosperity.

69. As option 2 will reduce PRIP's accountability and reporting requirements to Council under the LGA, there may be an impact on Council's trust and credibility with the community if there is reduced visibility of PRIP's objectives and performance.

Statutory Responsibilities / Ngā Haepapa ā-ture

70. This option 2 meets the Council's and PRIP's legislative obligations in relation to PRIP and the solar farm under the LGA. However, PRIP's legal status will change from a CCTO to a CO once the solar farm starts generating electricity, thereby reducing PRIP's accountability and reporting requirements to Council under the LGA.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Consistency with Policies and Plans / Te Paria i ngā Kaupapa Here me ngā Mahere

71. Option 2 results in a minor inconsistency with the LTP 2024-2034 because PRIP will cease to be a CCTO once the solar farm starts generating electricity.

72. This option is consistent with NPDC's Appointment and Remuneration of Directors of Council Organisations Policy.

Community Views and Preferences / Ngā tirohanga me Ngā Mariu ā-hāpori

73. Not establishing a subsidiary to own the solar farm business and, consequently, altering the status of PRIP from a CCTO to a CO, could create concern in the community about Council potentially looking to divest some of its shares or influence in PRIP in the future.

74. Even though public consultation is not legally required to disestablish a CCTO, given that Council's equity securities in PRIP are a strategic asset, Council should consider the community's views and engage with them before resolving to allow PRIP's CCTO status to end.

Advantages and Disadvantages / Ngā Huanga me Ngā Taumahatanga.

75. An advantage of declining the request for PRIP to establish a subsidiary company is that it keeps all Airport and solar farm operations directly under one entity (as a CO, not a CCTO).

76. The disadvantages of option 2 are that:

    a) **Loss of CCTO status:** PRIP would be reclassified as a CO once the solar farm begins generating electricity, reducing its accountability and reporting obligations to Council under the LGA.

    b) **Reduces accountability requirements:** Fewer reporting and transparency requirements as a CO may impact Council's credibility and trust in the community.

    c) **Limits investment opportunities:** Combining the Airport and solar farm under one entity may constrain PRIP's ability to pursue future investment or expansion opportunities for the solar farm.

    d) **Increases risk exposure:** Financial and operational risks from the solar farm would not be ring-fenced from the Airport.

    e) **Public perception risks:** Allowing PRIP to be reclassified as a CO may raise concerns about Council's long-term intentions regarding its ownership of PRIP.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Recommended Option
This report recommends option one - Authorise PRIP establishing a subsidiary company to own the solar farm, for addressing the matter.

APPENDICES / NGĀ ĀPITIHANGA

Appendix 1 10 June 2025 – Letter from PRIP to NPDC – Incorporation of Subsidiary Company (ECM 9514031)

Report Details

Prepared By:	Susannah Christiansen (Strategic Adviser)
Team:	Chief Executive's Office
Approved By:	Kathryn Scown (Executive Director CE Office)
Ward/Community:	District Wide
Date:	10 June 2025
File Reference:	ECM 9513873

----------End of Report ----------

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

New Plymouth Airport
Papa Rererangi i Puketapu Ltd

10 June 2025

Confidential

84 Liardet Street
New Plymouth Central
New Plymouth 4342

By Email: Kathryn.Scown@npdc.govt.nz

For: New Plymouth District Council

Dear Councillors,

INCORPORATION OF SUBSIDIARY COMPANY - PAPA RERERANGI I PUKETAPU LIMITED TO MANAGE NEW PLYMOUTH AIRPORT SOLAR FARM

Introduction

1. It is an opportune time to action the next stage in the process for the Airport Energy Park (**the Project**) with New Plymouth District Council (**NPDC**). This being, to incorporate a subsidiary company to operate, manage and own the solar farm's electricity business.

2. PRIP seeks NDPC's approval of the incorporation of the subsidiary company (the **subsidiary**), which must be incorporated before the solar farm commences generating and selling power to airport users and the national grid in order to meet legal requirements.

3. Currently, practical completion for the Project is due to be achieved as early as October 2025.

Subsidiary's Purpose

LGA Exclusion

4. PRIP must establish a subsidiary company to operate the solar farm's business due to an exclusion existing under the Local Government Act 2002 (LGA). This exclusion prevents a company (or any corporate body) carrying on an electricity business from being legally described as a council-controlled organisation (the LGA exemption).

5. Section 6(4) of the LGA defines what are not council-controlled organisations. Section 6(4)(a) of the LGA states the following is not a council-controlled organisation:

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

> *"**a body corporate** that carries on an **electricity business** (whether or not that **business is its principal or only business**) or a trust that is constituted for purposes which include owning or controlling, directly or indirectly, all or part of an electricity company that carries on that business; or"*

6. The solar farm, once operational, will produce enough electricity to power New Plymouth Airport, with surplus electricity retailed back to the national grid or directly to other users. So PRIP may preserve its council-controlled trading organisation (CCTO) designation under the LGA, as anticipated when established by NPDC, if a subsidiary company is incorporated.

7. Ownership of the current electrical network throughout the lease area, along with its extension upstream to allow direct connection to the solar farm will remain with PRIP.

8. The subsidiary will own the solar farm assets including the cables that connect it to PRIP's electricity network. Sale and purchase agreements for electricity will be entered into by the subsidiary, including those entered into with Ecotricity, any airport users the solar farm sells power to and PRIP itself.

Additional benefits of the subsidiary

9. **Separation of risks**: The new entity will operate as a council organisation. Separation between the two companies ensures there is a clear division between PRIP's usual airport business and the matters which affect the overall management of a commercial solar farm. Separation of the solar farm's affairs from usual airport operations also assists to separate the risks associated with the two different businesses.

10. **Future investment:** In addition, the establishment of a subsidiary will create greater flexibility for future solar farm related opportunities such as the potential options to engage in partnerships with third parties for management and/or expansion of the farm, and an increased ability for the subsidiary to seek external finance (where necessary).

11. **Compliance with Electricity Regulations:** The subsidiary will be subject to the extensive laws, rules and regulations governing participants in the electricity industry through managing the operation of a solar farm. For this reason, separation between businesses will create a clear line for operational management and compliance in the electricity industry.

12. **Limited Liability:** As with all corporate bodies within a group structure, the liability of the subsidiary company will be limited to its own actions, in most cases, even where the extent of the control exercised over its affairs is through PRIP as parent company. Debts will also be kept separate to PRIP as parent company, which will protect the airport's core assets.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Matters for the Subsidiary

13. The following is a summary of matters relating to the subsidiary. PRIP will manage these, for those which require action, following NPDC's resolution:

PRIP will be the sole shareholder of the subsidiary company. NPDC will retain visibility over any major decisions concerning the solar farm, and influence through its 100% shareholding in PRIP and via the subsidiary's constitution.

The board will consist of the directors of PRIP.

13.1. The proposed name of the subsidiary company is PRIP Energy Limited.

13.2. As we understand it, the incorporation of the subsidiary company will not affect the availability and treatment of funding for the Project from NPDC to PRIP and the subsidiary.

13.3. Despite the LGA exemption and the subsidiary being a council organisation, it will be subject to the same accountability and reporting requirements as PRIP under the LGA. This is because the council organisation will be a "related company" to PRIP and, under section 72 of the LGA, a "related company" of a CCTO is subject to the same requirements regarding directors, planning, monitoring and reporting as the parent CCTO (sections 57-71)PRIP will be responsible for the primary management and monitoring of the performance of the subsidiary and council organisation on behalf of NPDC, including ensuring LGA reporting and other requirements are met.

13.4. PRIP will define the subsidiary's purpose, role and responsibilities in relation to the solar farm against NPDC's overall objectives.

13.5. Once the company is incorporated, legal documents will be executed between PRIP and the subsidiary company to transfer, assign or sublease the specific assets and parts of the solar farm's electricity business.

PRIP's accountant will create a separate set of accounts for the subsidiary company. Financial information regarding the subsidiary company will be formally reported to annually through PRIP's Statement of Intent, or the subsidiary company's own statement of intent, and other regular reporting as required by the LGA.

Constitution

14. PRIP will establish a constitution for the subsidiary company to ensure the governance structure between both companies and NPDC is clear, both for directors and from the public's perspective (given the document will be publicly available).

15. Relevantly, where permitted by the subsidiary's constitution, a director, in upholding their duty to act in good faith and in the best interests of the subsidiary company, will be able to act in the best interests of PRIP as the subsidiary's parent company even if the action may not necessarily be in the subsidiary's best interests.

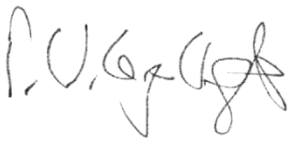
Papa Rererangi i Puketapu Ltd
New Plymouth Airport
192 Airport Drive
New Plymouth 4373
www.nplairport.co.nz

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

16. Together, this director duty and drafting of a constitution will maintain a consistent link between NPDC, PRIP's broader interests as an airport company and CCTO, and the subsidiary company in regard to the solar farm's electricity business.

17. The constitution will also ensure there can be no other shareholders of the subsidiary other than PRIP, (without prior NPDC and PRIP's approval) as well as placing an obligation on subsidiary directors to continue to meet NDPC's and PRIP's objectives.

Yours Sincerely



Philip Cory-Wright
Chair
Papa Rererangi i Puketapu Limited

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

EVENTS RESERVE POLICY

MATTER / TE WHĀINGA

1. The matter for consideration by Council is a draft Events Reserve Policy to guide the establishment, management and use of the Events Reserve approved in the Long-Term Plan 2024-2034.

RECOMMENDATION FOR CONSIDERATION / NGĀ WHAIKUPU

That having considered all matters raised in the report Council:

a) Note that Council established an Events Reserve through the Long-Term Plan 2024-2034.

b) Note that the purpose of the proposed policy is to manage the Reserve.

c) Adopt the Events Reserve Policy (ECM 9511236), and

d) Delegate authority to the Chief Executive to allocate funding in line with the Policy.

STRATEGY AND OPERATIONS COMMITTEE RECOMMENDATION

2. The Strategy and Operations Committee endorsed the Officers recommendation.

COMMUNITY BOARD RECOMMENDATIONS

3. The Clifton, Inglewood, Puketapu-Bell Block, Waitara and Kaitake Community Boards endorsed the Officer's recommendation.

TE HUINGA TAUMATUA RECOMMENDATION

4. Te Huinga Taumatua endorsed the Officer's recommendation.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

COMPLIANCE / TŪTOHU	
Significance	This matter is assessed as being as administrative.
Options	This report identifies and assesses the following reasonably practicable options for addressing the matter: 1. Adopt the Events Reserve Policy and delegate authority. 2. Do not adopt the Events Reserve Policy and not delegate authority.
Affected persons	The persons who are affected by or interested in this matter are event promoters, venue hirers, Taranaki businesses and any other groups that could be supported under this policy.
Recommendation	This report recommends option 1 for addressing the matter.
Long-Term Plan / Annual Plan Implications	No, this policy is in response to a Long-Term Plan 2024024 decision.
Significant Policy and Plan Inconsistencies	No.

EXECUTIVE SUMMARY / WHAKARĀPOPOTOTANGA MATUA

5. The New Plymouth District Council (NPDC) established an Events Reserve through the Long-Term Plan 2024–2034. The Reserve uses extra revenue earned by NPDC Venues and Events to build a reserve which can be used to help attract more significant events to the district.

6. To manage the Reserve effectively, Officers have drafted an Events Reserve Policy. The policy explains how the Reserve should be used and provides clear guidelines for making decisions. It allows Council to act quickly and keep sensitive information confidential when bidding for events.

7. The goal of the Reserve, and the policy, is to help New Plymouth compete with bigger cities for high-profile events to bring in more visitors and boost the local economy. These events can increase Council revenue and grow the region's GDP.

8. For efficiency, and confidentiality, Officers recommend Council adopt the draft policy and delegate authority to the Chief Executive to allocate funding according to the policy.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

BACKGROUND / WHAKAPAPA

9. New Zealand's events sector is vibrant and highly competitive, with cities and regions across the country actively vying for significant and major events that deliver economic, social and cultural benefits to their communities.

10. The 2024/2025 financial year events at the Bowl of Brooklands provided a total economic impact of $8.1 million in expenditure and $4.2 million in value-add activity (GDP). In the same year, the summer Festival of Lights provided a total economic impact of $15.8 million in expenditure and GDP.

11. While New Plymouth has a suite of nationally and internationally recognised venues and a reputation of being able to deliver and/or host high quality events, our location is not considered a national touring destination. This creates additional challenges and constraints when competing with other regional centres to attract significant events to the district.

12. Council established the Events Reserve to enable NPDC Venues and Events to compete with larger cities and regional centres. It offers opportunities to reduce promoter risks and highlight New Plymouth's unique identity, through partnerships, discounts, or incentives to attract events.

13. A maximum of $200,000 per annum from event revenue surplus can contribute to the reserve. The Events Reserve will grow if not fully utilised and has a cap of $2 million.

14. The Events Reserve objectives are to:

    a) Support the attraction of significant or major events to the district.

    b) Complement but not substitute the contestable Major Event Fund administered by Venture Taranaki.

    c) Recognise that some significant events require significant future investment such as sporting World Cup or significant tours (such as a Lions Tour) and major non-sports international entertainment acts.

    d) Increase NPDC revenue to invest in this reserve.

15. These objectives complement the NPDC funded contestable Major Events Fund (MEF) which is independently administered by Venture Taranaki. All event organisers and promoters can apply once a year to the MEF to hold events anywhere in the New Plymouth District. NPDC can apply to the MEF, and this will not be altered by the Events Reserve.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

16. The Events Reserve differs from the MEF in that it is managed by NPDC, is for NPDC venues and will generate revenue for NPDC while providing all the other benefits for the wider community. It is also able to be much more agile both in timing and the quantum of funding.

17. Although it is good practice for independent management of contestable funds, the Event Reserve fund is best managed by the NPDC Events and Venues team as per the Long-Term Plan 2024-34 decision.

Short time frames and confidentiality are fundamental when bidding for events

18. Although events are generally secured many months in advance, decision-making around bidding or negotiating for events is time sensitive. Negotiations require complete confidentiality to increase the opportunities for success and maintain positive relationships with promoters – optimising future success.

19. Due to the nature of events management, Council Officers consider it appropriate for Council to delegate authority to the Chief Executive to allocate funding from the Reserve.

20. Council Officers will ensure Council are kept informed on the impacts of using the Reserve through post-event reporting.

CLIMATE CHANGE IMPACT AND CONSIDERATIONS / HURINGA ĀHUARANGI

21. There are no direct climate change impact or considerations associated with this matter.

NEXT STEPS / HĪKOI I MURI MAI

22. Following the adoption of the Policy, Officers will develop an internal application template. Officers will confirm any surplus revenue available for transfer annually into the Events Reserve.

SIGNIFICANCE AND ENGAGEMENT / KAUPAPA WHAKAHIRAHIRA

23. In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as being administrative because it supports a decision made through the Long-Term Plan 2024-2034 and can provide positive opportunities for the whole community.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

OPTIONS / KŌWHIRINGA

24. There are two reasonably practicable options:

Option 1 Adopt the Events Reserve Policy and delegate decision-making authority

Option 2 Do not adopt the Events Reserve Policy and not delegate decision-making authority.

Both options have been assessed together below.

Statutory Responsibilities / Ngā Haepapa ā-ture

25. This report recommends the adoption of a policy to guide decision-making and fund allocation from the Event Reserve. There are no statutory responsibilities in relation to this matter.

26. There are statutory responsibilities for matters associated with entering into detailed contracts and managing events, but these are operational and fall outside of the policy.

Participation by Māori / Te Urunga o Ngāi Māori

27. Adoption of the policy is an administrative matter to guide the management and use of the Events Reserve. There has been no participation by Māori in drafting this policy.

28. The policy does include consideration of cultural and heritage representation, especially unique regional aspects as one of the assessment criteria.

Community Views and Preferences / Ngā tirohanga me Ngā Mariu ā-hāpori

29. Adoption of the policy is an administrative matter and community views have not been sought in relation to the management and use of the Reserve. Community preferences on events were sought, and considered during development of the Long-Term Plan 2024-2034 resulting in establishment of the Reserve.

Financial and Resourcing Implications / Ngā Hīraunga ā-pūtea, ā-rauemi

30. There are no financial or resourcing implications in adopting a policy. Implementation of the proposed policy will be met within existing budgets.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Risk Analysis / Tātaritanga o Ngā Mōrearea

31. As the reserve grows, there is a risk that external funders consider reducing their support towards New Plymouth District Council events knowing that there is potential to make up shortfalls from this reserve. This will be minimised by the increased number of events.

32. The use of the reserve will also consider the number of events being held, the audiences for each and any risk of too many events impacting on ticket sales due to community affordability.

33. Adopting the policy and delegating authority for the decision-making will reduce the risk that Council misses out on events by responding in an untimely manner. Delegation of authority will also minimise the risk that confidentiality will be broken at critical times in contract negotiations. These conditions could result in fewer events and reduce revenue opportunities.
34. Should Council not adopt a policy, decision-making will be adhoc and run the risk of being inconsistent.

Promotion or Achievement of Community Outcomes / Hāpaitia / Te Tutuki o Ngā Whāinga ā-hāpori

35. Implementation of the proposed policy will provide a consistent approach to event management. This will contribute to the community outcomes of:

Trusted	• Building trust and credibility with community, businesses and government. • Demonstrating leadership and striving for operational excellence.
Thriving Communities and culture	• Connected and engaged communities. • An equitable and inclusive approach to delivering for all our people and communities
Prosperity	• Developing and supporting initiatives to achieve a diversified high-performing economy.

Consistency with Policies and Plans / Te Paria i ngā Kaupapa Here me ngā Mahere

36. The Long-Term Plan 2024-2034 established the Reserve. Adoption of a policy will provide transparency for the community on how the Reserve will be administered.
37. The Event Reserve Policy is also consistent with the contestable Major Events Fund administered by Venture Taranaki. This reserve and policy complement that investment and helps ensure a vibrant events sector and also usage of NPDC venues and associated revenue for NPDC.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Advantages and Disadvantages / Ngā Huanga me Ngā Taumahatanga.

38. The advantage of this option provides Council Officers with the delegation and means to be competitive in being able to attract existing and new significant events that it may not normally be able to.

Recommended Option
This report recommends option 1, adopt the Events Reserve Policy for addressing the matter.

APPENDICES / NGĀ ĀPITIHANGA

Appendix 1 Events Reserve Policy (ECM 9511236)

Report Details

Prepared By:	Chade Julie (Manager Venues and Events)
Team:	Venues and Events
Approved By:	Sarah Downes (General Manager Operational Excellence)
Ward/Community:	District Wide
Date:	12 June 2025
File Reference:	ECM 9510758

----------End of Report ----------

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

EVENTS RESERVE POLICY

POLICY PURPOSE

The purpose of the Event Reserve Policy is to guide the management and use of the Events Reserve to support the attraction and delivery of significant and/or major events in the New Plymouth District which would not be able to be attracted from other existing budgets.

POLICY OBJECTIVES

The objectives of the Events Reserve are to:

a) Support the attraction of significant and/or major events to the district that:

   i) Enhance the district's image locally and internationally.

   ii) Attract significant visitor numbers and spending.

   iii) Utilise Council-owned venues effectively.

   iv) Address seasonal tourism gaps.

b) Complement but not substitute the contestable Major Events Fund administered by Venture Taranaki.

c) Recognise that some significant events require significant future investment such as sporting World Cup or significant tours (such as a Lions Tour) and major non-sports international entertainment acts.

d) Increase NPDC revenue to invest in this reserve.

EVENT TYPES

The Event Reserve is designed to be flexible and responsive to the evolving needs of the events landscape, as such it can be used for the following types of events:

a) <u>Support for a series of smaller events</u>
   The Reserve can be used to enable a calendar of smaller-scale events that collectively contribute to community vibrancy, local economic activity, and venue utilisation in a significant way.

b) <u>Attraction of major event opportunities</u>
   Alternatively, the reserve may be partially or fully retained each year to support the attraction of high-impact major events that require significant upfront investment.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

ELIGIBLE EXPENDITURE

Funds from the reserve may be used to:

a) Provide promoter incentives to bring significant and/or major events to New Plymouth unable to be met from other budgets. This includes but is not limited to:

   i) Paying appearance fees.

   ii) Subsidising or covering accommodation and travel costs for artists or athletes.

   iii) Contributing towards city and event host responsibility.

b) Contribute to and/or subsidise operational, logistical and production costs. This includes but is not limited to:

   i) Procurement of technical services i.e. big screens, AV equipment, technical staff.

   ii) Hireage of infrastructure e.g. the platform over Bowl of Brooklands Lake and temporary seating.

   iii) Support marketing and promotional activities.

ASSESSMENT CRITERIA

Applications to access the Event Reserve will be assessed on the following to maximise the long-term benefits for the New Plymouth District:

a) Event type (e.g., concert, sporting event, theatre performance) and timing (taking into consideration competing events and affordability).

b) The potential economic impact of the event(s), including the number of out-of-town visitors (target: minimum 30% of total audience), visitor spend, bed nights, and local business engagement (including employment generation).

c) The return on investment (ROI).

d) Other funding sources.

e) The strategic value of the event in terms of branding, media exposure, and alignment with district goals.

f) Locations of other event occurrences in Aotearoa/New Zealand.

g) Cultural and heritage representation, especially unique regional aspects.

h) Alignment with other NPDC goals and objectives.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

APPROVAL PROCESS

The approval process recognises that strict confidentiality and timely negotiations are required in the events sector. Applications will be developed by the Venues and Events Team and submitted to the Manager Venues and Events a minimum of 6 months prior to the event date. Requests that do not meet the 6-month timeframe must outline the extenuating circumstances for consideration.

Each application will be assessed on a case-by-case basis and approvals provided as per the New Plymouth District Council Delegations Register. Information outlined in the application will be commercially sensitive and will not be publicly available.

REPORTING

Where funds have been drawn down from the Reserve to support an event, Council Officers will provide a post event report that will include Councils commitment, spend and return of investment.

POLICY REVIEW

This policy will be reviewed in three years from the date the policy is adopted.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

PROCUREMENT STRATEGY REVIEW 2025

MATTER / TE WHĀINGA

1. The matter for consideration by the Council is the adoption of a new Procurement Strategy.

RECOMMENDATION FOR CONSIDERATION / NGĀ WHAIKUPU

That having considered all matters raised in the report Council:

a) Adopts the new Procurement Strategy 2025 in Appendix 1 (ECM 9513709) and,

b) Revokes the existing Procurement Strategy 2018 in Appendix 2 (ECM 7945701)

STRATEGY AND OPERATIONS COMMITTEE RECOMENDATION

2. The Strategy and Operations Committee endorsed the Officer's recommendation.

TE HUINGA TAUMATUA RECOMENDATION

3. Te Huinga Taumatua endorsed the Officer's recommendation.

COMPLIANCE / TŪTOHU	
Significance	This matter is assessed as being of some importance.
Options	This report identifies and assesses the following reasonably practicable options for addressing the matter: 1. Adopt the new Procurement Strategy 2025 2. Retain the existing Procurement Strategy 2018
Affected persons	The persons who are affected by or interested in this matter are the wider community.
Recommendation	This report recommends option 1 for addressing the matter.
Long-Term Plan / Annual Plan Implications	No
Significant Policy and Plan Inconsistencies	No

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

EXECUTIVE SUMMARY / WHAKARĀPOPOTOTANGA MATUA

4. Officers recommend the adoption of the Procurement Strategy 2025 in line with the Long-Term Plan (LTP) deliberations, along with a review of Council's procurement strategy and contracting arrangements to improve performance.

5. The proposed strategy introduces structured governance, whole-of-life costing, and improved contract management to drive better outcomes in capital and operational spending. These changes are designed to achieve targeted savings of $300,000 in Year 2 and $500,000 in Year 3.

6. A new governance framework ensures ethical, transparent, compliant and best procurement practices. This includes oversight through Governance Group, risk management, and performance monitoring ensuring procurement aligns with Council's strategic goals and public expectations.

7. The proposed strategy prioritises local economic development by defining "local business" creating supplier registries and embedding local impact into evaluation criteria.

8. Environmental and social goals are now central to procurement. The proposed strategy also supports the Council's Environmental Sustainability Policy by favouring low-emission, recyclable, and circular economy products and embedding sustainability impact into evaluation criteria.

9. Having considered all these aspects, the proposed strategy places strong emphasis on achieving the best public value by considering the total cost and benefits over the full lifecycle of the project. This ensures more informed decision-making and responsible use of public funds.

10. In conclusion, the proposed procurement strategy introduces a modernised, outcomes-focused approach to procurement that enhances best practices, value for money, transparency, supports local and Māori businesses, and embeds sustainability, social value, and cultural values into procurement practices.

BACKGROUND / WHAKAPAPA

11. Procurement is a critical function that enables the Council to deliver services and infrastructure efficiently, ethically, and in alignment with community aspirations and legislative obligations.

12. The current procurement strategy was presented to Council in 2018 and formally adopted in 2019.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

13. In May 2024, during deliberations on the LTP 2024–2034, Council resolved to undertake a comprehensive review of its procurement strategy and contracting arrangements. This included a directive to improve performance across capital and operational expenditure, particularly in transport and water services, and to realise budget savings of $300,000 in Year 2 and $500,000 in Year 3.

14. The review also included a full evaluation of contingency funding methodologies. This is currently moving through an internal consultation process and will be reported to Council at a later date.

15. Council further resolved to include more social and sustainability outcomes in its procurement approach, including a stronger focus on local procurement. The proposed Procurement Strategy 2025 responds directly to these resolutions and provides a clear, actionable framework to guide procurement decisions and practices.

16. The proposed procurement strategy is the first stage of a four-stage process, followed by an update to the procurement policy, which will be presented for Council's approval. After that, the procurement manual will be updated, and finally, guidelines and templates for procurement activities will be developed.

SIGNIFICANCE AND ENGAGEMENT / KAUPAPA WHAKAHIRAHIRA

17. In accordance with the Council's Significance and Engagement Policy, this matter is of moderate significance. While procurement is a technical function, it has high public interest due to its impact on local businesses and community outcomes. The proposed strategy supports decisions already made in the LTP and annual plan.

OPTIONS / KŌWHIRINGA

18. There are two reasonably practicable options

Option 1 Adopt the New Procurement Strategy Revoke and the current Procurement Strategy 2018.

Option 2 Retain the current Procurement Strategy 2018.

Both options have been assessed together below.

Financial and Resourcing Implications

19. The proposed strategy has been developed within existing budgets, and its implementation will be supported through existing resources. However, the implementation of contract management and stakeholder engagement requires some additional resourcing, with minor financial implications anticipated.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

20. There are no additional financial and resourcing implications associated with Option 2. However, the current strategy lacks tools and structure to achieve the cost savings and efficiencies targeted in the Long-Term Plan.

Risk Analysis

21. The proposed strategy reduces procurement risks by embedding clear governance and a formal Risk Management Framework to support early risk identification and mitigation. It aligns with key Government Procurement Principles such as planning well, choosing the right supplier, and acting with integrity. Standardised processes, expert input, and regular audits ensure compliance, transparency, and value for money, while minimising legal and procedural risks

22. While the current strategy acknowledges risk management, it does not provide a robust or modernised framework for identifying, assessing, and mitigating procurement risks. Without updated governance frameworks or structured governance oversight, the Council remains exposed to inconsistent procurement practices, sub-optimal procurement outcomes and compliance and audit risks.

Promotion or Achievement of Community Outcomes

23. The proposed strategy directly supports community outcomes by promoting local economic development, environmental sustainability, and inclusive procurement practices supporting broader outcomes.

24. The 2018–2021 strategy references community outcomes but does not provide a structured or measurable approach to delivering social, environmental, or cultural benefits through procurement. It lacks alignment with the Council's current strategic priorities, including climate action, social, and inclusive economic development.

Statutory Responsibilities

25. Both current and proposed strategies align with Council's statutory obligations under the Local Government Act 2002 and, where applicable, the New Zealand Government Procurement Rules. Additionally, it upholds procurement standards that ensure compliance, fairness, and effectiveness in line with the expectations of the Office of the Auditor-General (OAG).

Consistency with Policies and Plans

26. The proposed strategy supports the Council's Long-Term Plan, Environmental Sustainability Policy, and Infrastructure Procurement Strategy whereas the existing strategy predates key Council policies such as the Environmental Sustainability Policy (2024) and upcoming updates to the Infrastructure Procurement Strategy.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Participation by Māori

27. This proposed strategy was developed in collaboration with the Council's Iwi Partnerships team to ensure it supports meaningful engagement with Māori.

28. While Māori participation is acknowledged in the existing strategy, it is not structured or defined well and lacks linkages to delivering procurement outcomes associated with Māori businesses.

Community Views and Preferences

29. Officers understand that the community's expectations are for ethical, transparent, and inclusive procurement. This understanding is re-enforced by these practices being incorporated into other procurement policy documents such as New Zealand Government Procurement rules.

30. Officers understand that the current strategy does not meet the community's expectations for transparency, local economic support, and inclusive procurement. It lacks mechanisms for supplier engagement, feedback, and continuous improvement, which may limit trust and participation from the supply market, including local and minority-owned businesses.

Advantages and Disadvantages

31. The advantages of this adopting the revised strategy are:

    a) Clear strategic direction for procurement

    b) Enhanced support for local and Māori businesses

    c) Improved transparency, efficiency, and accountability

    d) Alignment with national best practices and broader outcomes

32. The disadvantage of adopting the revised strategy is that it will require change management and staff training to implement effectively.

33. The advantages of retaining the current strategy are:

    a) Meet statutory and procurement rule requirements

    b) No additional financial and resourcing implications

34. The disadvantages of retaining the revised strategy are:

    a) Weak risk management and governance framework

    b) Not aligned with current Council policies such as Sustainability

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

c) Lacks structure to achieve LTP cost savings

APPENDICES / NGĀ ĀPITIHANGA

Appendix 1 Proposed Procurement Strategy 2025 (ECM 9513709)

Appendix 2 Current Procurement Strategy 2018 (ECM 7945701)

Report Details

Prepared By:	Sudeha Hennayaka (Procurement and Commercial Service Manager)
Team:	Project Management Office
Approved By:	Raymond Teunissen (Manger Project Management Office)
Ward/Community:	District Wide
Date:	04 June 2025
File Reference:	ECM 9513717

----------End of Report ----------

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

NEW PLYMOUTH DISTRICT COUNCIL

PROCUREMENT STRATEGY

June 2025

DRAFT

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Contents

1. Introduction 3
2. Vision 3
3. Strategic Approach 3
4. Strategic Themes 4
   a. Managing Spend Effectively 4
   b. Local Prosperity 4
   c. Environmental Excellence 4
   d. Social Impact, Cultural Identity and Inclusivity 5
   e. Transparency and Accountability 5
   f. Delivering Compliant Processes and Procedures 5
   g. Supporting Collaborative Procurement efforts 5
   h. Well-being and Health and Safety 5
5. Implementation Framework 6
5.1. Governance 6
5.2. Procurement Principles 6
5.3. Resource Allocation and Prioritisation 7
5.4. Stakeholder Engagement 8
6. Supporting Local Businesses 8
7. Partnering with iwi, hapū, and Māori businesses 9
8. Contract Management 9
9. Measuring Success 10

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

1. Introduction

Procurement is a critical function of the New Plymouth District Council (Council) enabling the delivery of essential services while fostering economic and social benefits. This Procurement Strategy (Strategy) outlines our approach, goals and actions focusing on achieving value-for-money and efficient resource use while also contributing to broader outcomes for our community.

It is more important than ever that Council has the best arrangements in place to deliver innovative solutions that help us reduce costs and improve the services that we deliver to our community. Public procurement represents a powerful tool to stimulate local economies, support small and minority businesses, and contribute to broader societal objectives such as environmental sustainability and social inclusion.

The purpose of this strategy is to create a cohesive framework that aligns procurement activities with the Council's overarching vision. Through our Strategy, we will leverage procurement activities to positively impact on New Plymouth District's economy and communities in delivering social, economic, environmental and cultural well-beings benefits.

Through clear priorities and actionable plans, our Strategy seeks to achieve transformative outcomes that enhance Council's ability to deliver value-for-money, community resilience, and prosperity. By understanding and effectively using the procurement process, we will make sure our investments benefit the community in the long run.

2. Vision

Our vision is to create value for the community through a procurement framework that ensures informed and ethical decision making and value-for-money outcomes, while also promoting local economic growth, environmental sustainability, and alignment with the cultural values of the region, including Te Tiriti principles.

3. Strategic Approach

The New Plymouth District Council's strategic vision is "Sustainable Lifestyle Capital" and the Mission is. "Ensuring Taranaki is a place of opportunity where people want to live, learn, work, play and invest now and into the future with a focus on kaitiakitanga (guardianship). Our Procurement Strategy plays a critical role in achieving this vision and mission by ensuring that procurement activities are aligned with the Council's strategic pillars of trusted, thriving culture and communities, prosperity and environmental excellence

The Council takes a unified and collaborative approach to procurement. This ensures that our sourcing and contracting methods are efficient, effective, and aligned with the needs of the district. By fostering collaboration across teams, stakeholders, and suppliers, we not only support the financial sustainability of the Council but also contribute to our vision of creating a Sustainable Lifestyle Capital. This vision ensures that residents enjoy a high quality of life today without compromising the needs of future generations.

Our Procurement Strategy drives us to make a meaningful difference in everything we do. We consider the broader impact of our procurement decisions on the community, all stakeholders, taking responsibility for our actions and striving for continuous improvement. By incorporating broader outcomes such as sustainability, social equity, and cultural considerations into our procurement processes, we create opportunities that uplift the entire community. This includes prioritising suppliers who demonstrate fair labour

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

practices, as well as supporting locally owned businesses to ensure economic benefits are shared equitably.

By aligning procurement activities with the Council's strategic vision, goals, sustainability strategy and broader outcomes, we ensure that every decision contributes to the long-term prosperity and resilience of the New Plymouth District. We will deliver procurement outcomes that are not only financially beneficial but also socially, culturally, and environmentally sound. Together, these efforts will help us create a sustainable, inclusive, and prosperous future for all.

4. Strategic Themes

The following are the strategic themes of our planned approach to procurement and contracting activities:

a. Managing Spend Effectively

Efficient and effective spending is critical to maximising the value derived from public funds. We will apply the principles of kaitiakitanga to ensure public funds are utilised responsibly, minimising environmental impact and maximising community benefits. We will consider Value-for-Money as the optimum combination of whole-of-life costs in terms of not only generating efficiencies, savings and good quality, but also delivering benefits to society and the economy, whilst minimising damage to the environment. By maintaining a structured approach to procurement, we strive to ensure maximum cost-efficiency while achieving strategic goals.

b. Local Prosperity

The Council is dedicated to fostering a strong local economy. Through good procurement practices, we will create opportunities for local businesses, including small and minority-owned enterprises, to participate in Council contracts. A local business is defined as an enterprise that:

- Has a physical presence within the geographical boundaries of the Council's jurisdiction.
- Employs local residents, contributing to local job creation and economic stability.
- Pays local taxes and rates, supporting the community's infrastructure and services.

This approach not only supports economic growth but also ensures that the benefits of the Council's procurements are felt across the community.

c. Environmental Excellence

The Council is committed to protecting and enhancing our natural environment and in 2024 adopted an Environmental Sustainability Policy. Through procurement, we will prioritise sustainable practices to comply with and realise our Environmental Sustainability Policy, such as reducing whole-of-life energy, water and material requirements, favouring reuseable, recyclable, or low-emission products, and supporting suppliers who adopt circular economy principles and demonstrate a commitment to emission reduction. This will help us meet our climate action goals and contribute to a more resilient district in line with the Council's Environmental Sustainability Policy and broader outcome. Procurement decisions will consider the additional costs relative to the value delivered, ensuring a balanced and fiscally responsible approach that aligns with the Council's long-term financial sustainability objectives.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

d. Social Impact, Cultural Identity and Inclusivity

We aim to embed social impact into procurement decisions. We will encourage business engagements with minority-owned enterprises to promote diversity and inclusion. We will also strive to work with organisations actively creating workforce development and training programmes which enhance skill sets, improve employability, and provide sustainable career pathways for people in our local community.

Social procurement will also be leveraged to deliver targeted benefits that strengthen iwi, hapū, and whānau capacity, create employment opportunities for Māori, and enhance cultural resilience. While striving to be fair to all suppliers, we will work to foster relationships with iwi and hapū enterprises through whanaungatanga (relationship), creating opportunities for collaboration and mutual benefit. Through these initiatives, we seek to address systemic inequities, promote intergenerational well-being, and honour Te Tiriti o Waitangi obligations through inclusive and meaningful economic partnerships.

e. Transparency and Accountability

Transparency fosters trust and ensures all stakeholders comprehend and endorse procurement decisions. The Council will manage procurement practices with strong governance and comprehensive reporting, maintaining the highest standards of ethics in procurement. This ethical approach not only enhances accountability but also reassures stakeholders that resources are being utilised responsibly and effectively for the community's benefit.

f. Delivering Compliant Processes and Procedures

It is critical Council runs effective tender processes that are transparent and compliant with current and emerging legislation and best public sector procurement practices. To ensure consistency and appropriate compliance in all procurement activities, the Council will continue to provide standardised frameworks, processes and templates for procurement and contracting activities. Regular audits of procurement practices will be conducted to identify and address any compliance gaps. Procurement practices will generally align with the current New Zealand Government Procurement Rules.

g. Supporting Collaborative Procurement efforts

We acknowledge the value that collaboration has within the public sector in order to maximise economies of scale and our buying power, and to drive efficiencies and innovative solutions. Collaborating with external partners boosts procurement efficiency and supports innovation. The Council aims to leverage shared frameworks for notable benefits by partnering with nearby councils, public and private agencies for joint procurement. Council will actively utilise collaborative frameworks such as All-of-Government (AoG) contracts and panels. Furthermore, Council staff will network with other local government entities for knowledge sharing.

h. Well-being and Health and Safety

The Council prioritises the well-being, health, and safety of our community and workforce. Through procurement, we will engage suppliers who demonstrate a strong commitment to health and safety standards, ensuring that their practices protect workers, residents, and the environment.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

5. Implementation Framework

5.1. Governance

Governance is essential to maintaining oversight and ensuring the consistent application of procurement policies and principles. A well-structured procurement governance framework will provide clear roles and responsibilities, enabling efficient decision-making and risk management. These foundational elements ensure that the Council's goals are translated into tangible outcomes while maintaining accountability and transparency throughout the process. Our Strategy highlights key action items of the governance framework.

Key Actions:

- **Procurement oversight through a Governance Group**: Major procurement decision related to procurement planning or strategy, sole source procurement, probity concerns, tender recommendation and long-term contracts will endorse and approve through a Governance Group to ensure alignment with the Council's objectives.
- **Maintain management oversight:** The Procurement Management will oversee procurement activities, drive strategic initiatives, and ensure adherence to best practices.
- **Subject Matter Expert**: Subject Matter Expert specialised on technical, commercial, sustainability, innovation, and social value will provide targeted expertise and support to tender processes when needed.
- **Implement Risk Management Framework:** A Procurement Risk Management Framework will serve to identify, assess, and mitigate procurement risks, ensuring compliance and operational continuity.

5.2. Procurement Principles

New Zealand Government Procurement Principles apply to all government agencies and provide government's overarching values. Although the Council is not mandated to follow all Government Procurement Rules, the principles apply to our procurement practices.

These five New Zealand Government Procurement principles are:

1. **Plan and manage for great results**

   - Identify what you need, including what broader outcomes should be achieved, and then plan how to get it.
   - Set up a team with the right mix of skills and experience.
   - Involve suppliers early – let them know what you want and keep talking.
   - Take the time to understand the market and your effect on it. Be open to new ideas and solutions.
   - Choose the right process – proportional to the size, complexity and any risks involved.
   - Encourage e-business (for example, tenders sent by email).

2. **Be fair to all suppliers**

   - Create competition and encourage capable suppliers to respond.
   - Treat all suppliers equally – we don't discriminate (this is part of our international obligations).
   - Seek opportunities to involve New Zealand businesses, including Māori, Pasifika and regional businesses and social enterprises.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

- Make it easy for all suppliers (small and large) to do business with government.
- Be open to subcontracting opportunities in big projects.
- Clearly explain how you will assess proposals – so suppliers know what to focus on.
- Talk to unsuccessful suppliers so they can learn and know how to improve next time.

3. Get the right supplier

- Be clear about what you need and fair in how you assess suppliers – don't string suppliers along.
- Choose the right supplier who can deliver what you need, at a fair price and on time.
- Choose suppliers that comply with the Government's Supplier Code of Conduct.
- Build demanding, but fair and productive, relationships with suppliers.
- Make it worthwhile for suppliers – encourage and reward them to deliver great results.
- Identify relevant risks and get the right person to manage them.

4. Get the best deal for everyone

- Get best public value – account for all costs and benefits over the lifetime of the goods or services.
- Make balanced decisions – consider the possible social, environmental, economic effects and cultural outcomes that should be achieved.
- Encourage and be receptive to new ideas and ways of doing things – don't be too prescriptive.
- Take calculated risks and reward new ideas.
- Have clear performance measures – monitor and manage to make sure you get great results.
- Work together with suppliers to make ongoing savings and improvements.
- It's more than just agreeing the deal – be accountable for the results.

5. Play by the rules

- Be accountable, transparent and reasonable.
- Make sure everyone involved in the process acts responsibly, lawfully and with integrity.
- Stay impartial – identify and manage conflicts of interest.
- Protect suppliers' commercially sensitive information and intellectual property.

5.3. Resource Allocation and Prioritisation

Adequate resources—both financial and human—are critical to the successful execution of this strategy. This includes investments in technology, training, and infrastructure to enhance procurement efficiency and effectiveness.

Key Actions:

- **Invest in Digital Tools:** Leverage procurement software to streamline processes, improve data analytics, and enhance decision-making.

- **Provide Procurement Training for Staff:** Offer ongoing professional development programmes to procurement staff to ensure they are equipped with the latest knowledge and skills in procurement practices and able to share this knowledge with internal and external stakeholders.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

- **Use Whole-of-Life Costing methodologies:** The Council intends to assess the long-term financial and operational impacts of procurement decisions. Costs related to the entire term of a contract will be taken into account during supplier selections and contract awards, ensuring a comprehensive evaluation that goes beyond initial expenses.

- **Enhance Contract Management:** Build capacity to manage contracts effectively, ensuring supplier performance aligns with agreed-upon terms and conditions, and delivers high levels of service, quality, and exemplary outcomes overall.

5.4. Stakeholder Engagement

Engaging with stakeholders, both internal and external, is vital for fostering collaboration, building trust, and ensuring the strategy reflects the needs of the community.

Key Actions:

- **Interdepartmental Collaboration:** Ensure alignment across Council departments by facilitating regular cross-functional meetings with Procurement staff embodying a spirit of teamwork, advisory support, and collaborative partnership.

- **Feedback Mechanisms:** Implement systems to collect and act on feedback from suppliers, community members, and Council staff to continuously improve procurement practices.

- **Regular Supplier Engagement:** Actively meet and connect with suppliers to maintain critical supplier relationships and provide guidance on Council procurement and contracting processes.

By prioritising strong governance, procurement principles, resource allocation and prioritisation, and stakeholder engagement, the Council will ensure that our Strategy is not only well-executed but also adaptable to evolving needs and challenges.

6. Supporting Local Businesses

The Council recognises the value of purchasing locally and aims to encourage businesses that contribute to the local community, economy, and the achievement of Council's strategic goals.

In alignment with Council's commitment to fostering economic growth and social equity, our Strategy prioritises equitable access to our contract opportunities and strives to increase contracting with local businesses, including minority-owned businesses and those affiliated with iwi and hapū. By actively engaging with these businesses, we aim to promote local economic development, create employment opportunities, and strengthen the cultural and economic fabric of our region. This approach supports our overarching goals of sustainability, resilience, and inclusivity in procurement practices.

To achieve this, we will establish clear mechanisms to identify and engage with local enterprises. These include maintaining a registry of local small businesses interested in working with Council, as well as a registry of iwi/hapū-affiliated suppliers. We will strive to conduct outreach to build relationships with local businesses and organise workshops to assist potential suppliers in navigating the procurement process. Additionally, when

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

relevant, weighted evaluation criteria will reflect the Council's commitment to working with suppliers who demonstrate evidence of making positive local impacts and contributing to the growth and development of the local economy.

7. Partnering with iwi, hapū, and Māori businesses

New Plymouth's procurement strategy is committed to fostering meaningful partnerships with iwi, hapū, and Māori businesses. This includes strengthening engagement with Māori and iwi-affiliated enterprises through targeted outreach, supplier workshops, and simplified bidding processes tailored to their unique needs. By integrating manaakitanga (hospitality and respect) into supplier interactions, we aim to create a welcoming and supportive environment for Māori businesses to thrive.

NPDC will engage in meaningful partnerships with Taranaki whānui ensuring that procurement practices are culturally respectful and contribute to the well-being of all communities. By prioritising these partnerships and fostering culturally respectful procurement practices, our Strategy supports celebrating the region's cultural heritage while addressing systemic inequities and promoting well-being.

We will strive to incorporate tikanga Māori (customs) into procurement processes and recognise the unique cultural values inherent in Māori business practices. Our strategy integrates Māori principles such as manaakitanga (hospitality), kaitiakitanga (guardianship), and whanaungatanga (relationships). We will ensure that procurement processes are respectful of tikanga Māori and provide flexibility where possible to accommodate culturally specific business practices.

This approach creates a strong foundation for increasing the participation of Māori businesses in Council's annual contracts. It also fosters new opportunities and establishes a structured framework for engagement in medium to large-scale projects in the near future. This goal reflects broader efforts by the New Zealand government to enhance support and achieve the target percentage of annual contracts awarded to Māori businesses. Ultimately, this approach demonstrates our commitment to cultivating partnerships that drive both economic growth and cultural enrichment, contributing to a shared vision of prosperity and well-being for all communities.

8. Contract Management

Contract management is a critical component of the procurement process, ensuring that the chosen contract type aligns with identified and assessed risks as well as client-specific constraints. Effective contract management supports the Council's strategic goals and delivers outcomes in an efficient and accountable manner.

This process includes several key elements:

- Selection of the appropriate contract type and standard conditions of contract to reflect the scope, complexity, and risk profile of procurement activities.
- Risk management, ensuring proactive identification, assessment, and mitigation of risks throughout the contract lifecycle.
- Contract administration, including performance monitoring, compliance verification, and issue resolution to maintain service standards and contractual obligations.

Contract management integrates seamlessly with the Council's existing frameworks, including the Health, Safety, and Environmental (HSE) policy, cost estimation and contingency planning framework, and the contractor performance evaluation framework.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Together, these elements provide a robust foundation for managing contracts, ensuring that expectations are met, and risks are effectively mitigated.

By adopting a structured approach to contract management, the Council can enhance transparency, achieve value for money, and uphold high standards of service delivery while fostering strong contractor relationships and continuous improvement in procurement practices.

9. Measuring Success

To ensure the success of our Strategy, the following Key Performance Indicator (KPI) parameters will be established and monitored. These parameters align with strategic goals and provide measurable benchmarks for progress:

Category	KPI Parameters to be Established
Thriving Culture and Communities	• Percentage of Procurement Spend with Local Businesses • Percentage contracts awarded to Māori/iwi-affiliated businesses • Increase supplier diversity by onboarding new minority-owned businesses
Environmental Excellence	• Measurement of carbon emission reductions from Tier 1 and Tier 2 procurement activities • Number of projects incorporating sustainability in evaluation criteria • Proportion of suppliers engaged in sustainability initiatives with the Council
Prosperity	• Estimated cost savings and cost avoidance achieved through improved procurement and commercial practices • Reduction in procurement cycle times through process efficiencies
Trusted	• Conduct annual performance evaluation for major project contractors and consultant. • Increase number of meetings held with key stakeholders to assess satisfaction

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

New Plymouth District Council

Procurement Strategy 2018 - 2021

Document Set ID: 7945701
Version: 1, Version Date: 26/02/2019

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Contents

Introduction	3
Purpose of the Strategy	3
Iwi Māori Participation	4
Strategic Framework	4
Putting People First	5
Caring for Our Place	5
Supporting Local Prosperity	6
Delivering Procurement Aims	7
The Procurement Lifecycle	8
Pieces in the Puzzle	8
A Change of Focus	9
Building the Procurement Lifecycle	10
Let's Get Sustainable	11
Aligning Social Impact with Local Needs	13
Strengthening the Structure	13
Health & Safety	15
Risk Management	15
Changes in Risk Assessment	16
Achieving Excellence	17
Supply Chain Leadership	18



Document Set ID: 7945701
Version: 1, Version Date: 26/02/2019

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Procurement Strategy

Introduction

The Local Government Act 2002 requires all Councils to provide good quality infrastructure and local public services. Councils must also perform their regulatory functions in a way that is cost effective, efficient and appropriate for households and businesses.

In a challenging and evolving procurement environment, the New Plymouth District Council is developing its procurement operations. This includes introducing a Council-wide Procurement Strategy, and reviewing the existing procurement policy and manual. These changes recognise the impact procurement has on many aspects of the New Plymouth district, including the environment, social factors and local economic development.

This Procurement Strategy sets out the overall context for the Council's procurement and contract management. It also builds on existing elements of good practice to map future developments and likely improvements.

The Strategy encompasses the entire procurement lifecycle and is aligned to the key stages of procurement: Planning, Sourcing and Managing Operations. It is also supported by key changes in the Procurement manual, including:

- A focus on early stakeholder and vendor engagement.
- Increased structure and visibility of contracts under $100,000.00.
- Increased guidance on procurement processes and procedures for the organisation.
- Streamlined low risk, high volume procurement
- Reviewed risk and evaluation assessment processes.
- New guidance documents and structured templates.

Purpose of the Strategy

NPDC spends $134 million a year with creditors. With over 70 percent spent on capital infrastructure, there is a need to maximise value from this expenditure.

The Procurement Strategy provides a framework for the Council to embed fair, open and transparent procurement practices. It sets the standard for an effective and efficient sustainable procurement process that prioritises risk analysis, and achieves value for ratepayer's money. The strategy encourages pro-active support of the Council's business priorities and commercial reputation.

To remove unnecessary complexity from processes and procedures the strategy is simple. It retains only those activities that add value to the services delivered.



Pukekura Park is often described as the jewel in New Plymouth's crown. Pukekura Park covers 52ha (128 acres) right at the heart of the city and is one of New Zealand's premier botanical gardens. The park has an international Green Flag award and is a Garden of National Significance.

The Park began life as a treeless, swampy valley in 1876. It was the foresight of Robert Clinton Hughes that the passing of the Botanical Gardens Bill enabled the park to be founded. In 1878 the main lake was formed, followed in 1884 by 'Poets Bridge' which was built from the winnings of a horse race. 1888 saw the erection of the Bandstand and in 1897, to mark the Diamond Jubilee of Queen Victoria, the drinking fountain was unveiled. The park was named 'Pukekura' in 1907, the name taken from the stream that runs through it. The Fernery (1928) and Tea House (1931) were next to be established. A fountain was commissioned in 1955 to commemorate the visit of Queen Elizabeth II.

Adjacent to the park is the garden estate area of Brooklands, home to the acclaimed TSB Bowl of Brooklands and Brooklands Zoo. As a popular destination for locals and visitors alike, Pukekura Park lights up over the summer as the backdrop for the annual TSB Festival of Lights.

Document Set ID: 7945701
Version: 1, Version Date: 26/02/2019

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Together, the Procurement Strategy, Procurement Policy and Procurement Manual aim to:

- Simplify procurement processes for both the Council and its suppliers.
- Build the professional and commercial skills of those performing procurement and contract management duties.
- Give opportunity to local small and medium enterprises to participate in procurement processes through increased market planning.
- Maximise innovation, sustainability and collaboration in our procurement operations.
- Identify sustainability, encourage social and economic benefits whilst minimising environmental impact through the procurement lifecycle

Iwi Māori Participation

This Procurement Strategy is underpinned by a shift from minimising costs to minimising costs and maximising value. This strategic approach to procurement and commissioning better recognises the unique local iwi Māori contribution/value-add towards:

a. achieving the Council's strategic vision through the key focus areas of Place/Tiakina, People/He Tangata and Prosperity/Āwhina;

b. other outcomes identified and valued by Council and iwi Māori;

c. social and environmental outcomes valued by Māori and other communities;

d. increased business growth and development through public/private investment and partnerships and activities; and/or

e. provision of niche social and environmental services through Māori and other "not-for-profit", social enterprise, or other purpose-specific organisations.

Fully realising this potential iwi Māori contribution will involve a number of mechanisms and processes. This includes contract agreements, policy development tools, identifying opportunities to work with purpose-specific organisations, and collaborating with external groups to solve local social and environmental challenges.

Strategic Framework

This strategy sits alongside the various strategies, plans and policies that assist delivery of the Council's Long Term Plan

In developing this strategy, each of the decision-making principles set out in the Council's aspiration to 'Build a Lifestyle Capital' have been applied in a procurement context.

Procurement contributes to 'Building a Lifestyle Capital' by:

- Putting **People** first.
- Caring for our **Place**.
- Supporting a **Prosperous** community.



The Coastal Walkway is a 12.7km long walkway located along the coast of New Plymouth. The walkway stretches from near Port Taranaki, past Central City, through Hickford Park, past Bell Block and to Tiromoana Crescent, north-east of New Plymouth. The walkway runs through a number of bridges, most notably, the Te Rewa Rewa Bridge.

The Coastal Walkway is a foreshore way constructed in 1999, originally as a 7km long walkway. In 2004 the new 'lightning bolt' bridge over the Te Hēnui stream opened and 2 years later the pedestrian bridge and viewing platform from Liardet Street opened. In 2010, extensions were made to the walkway and an additional 3 km were added. The development was part of a joint programme by NPDC and NZTA to encourage and enable people to use active transport. In 2014, the walkway was extended bringing the length to 12.7km.

An important feature of the walkway is the use of robust materials with strong lines and textures to stand up to and reflect upon the character of the west coast as well as a curved seawall in front of the city centre to provide protection from waves.

As part of the Council's Long Term Plan the Coastal Walkway is set to be extended by another 7.3km, connecting Waitara to an eco-friendly and safe route to the city.

Document Set ID: 7945701
Version: 1, Version Date: 26/02/2019

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Putting People First

As part of a supply chain the Council aspires to lead procurement activity that provides the best social, economic, cultural and environmental outcomes. This activity emphasises building trust and understanding, and optimising the relationships the Council engages in during the procurement lifecycle.

The Council will regularly engage with the community and service providers in its procurement processes, using planned analysis to deepen understanding of the local market. This will allow flexibility in responding to the community's changing needs and emergencies.

The Council will also support its community and service provider's through education, inclusion and empowerment of employees, encouraging learning on the impacts of sustainability, innovation and environmental issues.

The community benefits from the key achievements of the Council's procurement actions, from enjoying infrastructure projects to the local events that gain international recognition.

Caring for our Place

The Council ensures planning and sourcing of Council projects is in the best interests of the district, minimising any impact the environment.

When engaging in infrastructure projects or actions, the Council gives primary consideration to character, heritage and pride in the district. It engages suppliers that produce the highest quality goods, works and services and that are aligned with both its values and long term strategy.

Ensuring suppliers align with the Council's vision for the future plays a vital part in the Council's commitment to a greener, more sustainable future. Procurement endeavours to lower whole of life contract costs and lead by example in reducing the environmental footprint of the community. Through procurement and infrastructure the Council aspires to deliver innovative and engaging public spaces while maintaining and improving existing infrastructure and pedestrian movement in the district. The Council is also dedicated to improving water savings, CO^2 emissions and identifying recycling opportunities in procurement decisions.



Mount Taranaki is an active but quiescent stratovolcano. The 2,518 metres mountain is one of the most symmetrical volcano cones in the world.

The Maunga takes its name from the first ancestor of the Taranaki Iwi, Ruataranaki. His father-in-law Tahurangi later became the first person to ascend its peak, lighting a ceremonial fire to formally name the Maunga as Ruataranaki. Even today, the iwi of Taranaki refer to the lenticular cloud formation, which appears from time to time above the peak as the smoke from the fire of Tahurangi.

In 1881, a circular area with a radius of six miles from the summit was protected as a Forest Reserve. Areas encompassing the older volcanic remnants of Pouākai and Kaitake were later added to the reserve and in 1900 all this land was gazetted as Egmont National Park, the second national park in New Zealand. There are parts of the national park where old growth forests can be found.

There are three roads leading part-way up the mountain. The highest is to East Egmont plateau, with a viewing platform and visitors centre. There is no road access on the western side. However, a road winds for 10km through native bush over the saddle between Pouākai and Kaitake. Near the top of this road is the renowned Pukeiti Trust rhododendron garden.

Document Set ID: 7945701
Version: 1, Version Date: 26/02/2019

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Supporting Local Prosperity

At the heart of the Council's vision for the district is developing New Plymouth as a thriving, sustainable city. Not restricted to infrastructure, this development vision embodies the entire community.

The Council commits to transparency in actively supporting the local economy in developing supplier relationships. This Procurement Strategy promotes regular review and assessment of the local market and economy. Both the Council and the community can benefit from investment and opportunity that is cost effective and efficient. The Council has a vested interest in using local and national services and suppliers that have the right talent, the right quality of goods that are available at the right time.

As an organisation, the Council will use effective procurement practices to lead excellence in 'Building a Lifestyle Capital/He Whakatūtū Haupū Rawa Hei Āhua Noho'.

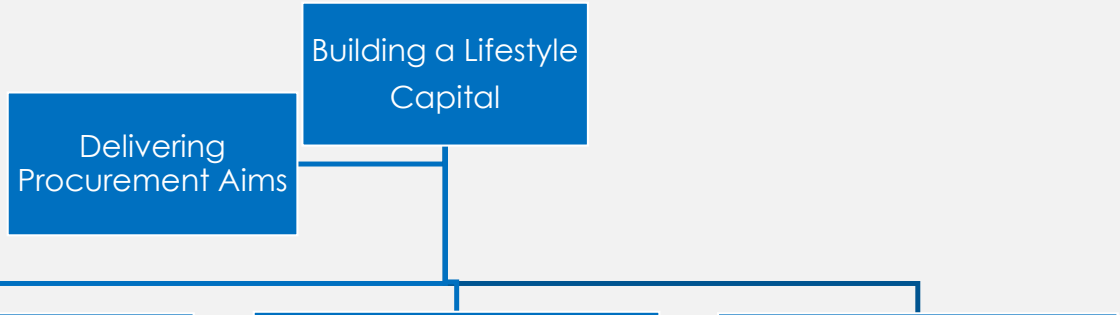


Document Set ID: 7945701
Version: 1, Version Date: 26/02/2019

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Delivering Procurement Aims

The aims of the Council's Procurement strategy in relation to the Community Outcomes are outlined below:



- Create investment opportunities for community wellbeing and development.
- Plan, report and analyse data to achieve value for money.
- Create a reliable, efficient & community focussed process.
- Encourage staff involvement.

- Engage strategic suppliers (local and aligned with Council goals).
- Smart investments in local infrastructure/projects.
- Management of whole of procurement lifecycle.

- Create commercial opportunity with early stakeholder and supplier engagement.
- Progressive management of contracts and supplier relationships.

Actions to meet aims:

- Introduction of Procurement Strategy.
- Reviewed Procurement Focus (Policy & Manual).
- Direction & development of professional services.
- Development of procurement process & eliminating wastage (Planning, Resourcing and Managing).
- Early stakeholder and supplier engagement.
- Centralised contract information to facilitate effective reporting.

Document Set ID: 7945701
Version: 1, Version Date: 26/02/2019



New Plymouth's Te Rewa Rewa pedestrian/cycle bridge is an impressive illustration of innovative local engineering. The tied arch bridge has a clear span of almost 70 metres and is part of the award-winning New Plymouth Coastal Walkway.

Spanning the Waiwhakaiho River, the north-east end of the bridge leaves, by request, a very light footprint on the Rewa Rewa Pā site and nearby urupā of Ngāti Tawhirikura Hapū. Involved in the design and development stages of the project, the influence of the Hapū may also be seen in the way the bridge frames and connects with Taranaki Maunga.

Te Rewa Rewa Bridge opened in June 5, 2010 as part of the extension of the Costal Walkway, making possible a 12.7km off-road route for cycling, walking, running, skateboarding & rollerblading. The bridge has quickly become a proud piece of Taranaki with a couple of international awards already to its name:

Footbridge Awards 2011 – Aesthetics Medium-Span Winner (for bridges with spans between 30 metres to 75 metres)

International Bridge Conference: Bridge Awards 2011 – Arthur G. Hayden Medal (Outstanding achievement in bridge engineering)

The bridge was commissioned by NPDC and designed & constructed by a consortium of Whitaker Civil Engineering, Novare Design Ltd, Apex Consultants Ltd & Fitzroy Engineering. The bridge was funded by NPDC, NZ Transport Agency & the Whitaker Family.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

The Procurement Lifecycle

The traditional approach to procurement emphasises and relies heavily on sourcing providers who deliver contracts. However, in this approach there is generally insufficient analysis in the early planning stages. This can lead to greater levels of input being required during the contract and relationship management stage of the procurement process, to manage issues that may have been avoided with better planning.

Failure to review contracts also means there is little or no opportunity to benefit from feedback, risk analysis or lessons learned.

Pieces in the Puzzle

Best practice in procurement encompasses three key stages:

- Planning
- Sourcing
- Managing

The procurement lifecycle is further subdivided into eight interrelated steps (see diagram).



The Procurement Lifecycle

The Council's Procurement Strategy adopts this best practice procurement lifecycle model. In this approach, each stage is part of a continuous 'chain of success'. Each stage has required results and benefits, resulting in an increased beneficial outcomes and a stronger market position overall.



The 45 metre tall fibreglass Wind Wand has become one of the most recognisable symbols of New Plymouth's waterfront.

Conceived by New Zealand born artist Len Lye, the Wind Wand was commissioned by NPDC and built by the Len Lye Foundation to celebrate the new millennium. The red light at the top was illuminated for the first time at midnight, December 31, 1999.

The main construction materials used for the Wind Wand are fibreglass and carbon fibre. There are 1296 light-emitting diodes (LEDs) in the red sphere on top providing the gentle illumination visible at night. The Wind Wand can bend approximately 20 metres in any direction.

Len Lye described his sculptures as dancers, in this case swaying and oscillating in response to the motion of the wind. Lye produced several smaller versions of the Wind Wand during his lifetime but hoped that one day a 45 metre wand could be built.

- **Height** **45 Metres**
- **Diameter** **200 Millimetres**
- **Weight** **900 Kilograms**

Document Set ID: 7945701
Version: 1, Version Date: 26/02/2019

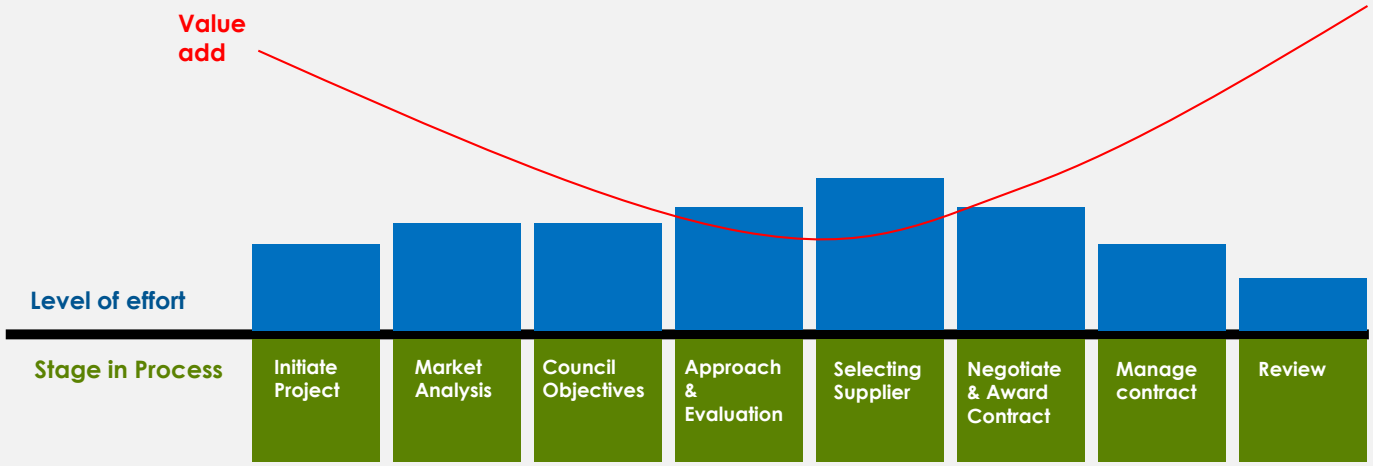
Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

A Change of Focus

With a greater emphasis on planning than the traditional approach, the lifecycle model helps establish an improved understanding of requirements, costs, levels of service, and possible further solutions.

Added focus on relationship development and management means less time is spent resolving issues, and more time can be applied to assessing the quality of contract delivery. This is achieved through Key Performance Indicators and identifying opportunities for cost and non-cost savings.

In taking this strategic approach, the impact of Council's procurement goes beyond the identified 'approach' and vision and illustrates the role procurement plays in 'Building a lifestyle Capital'. Adopting the objectives and principles set out in this strategy can make effective contributions to socio-economic factors, including equality and diversity, a successful local economy, environmental issues and community safety.



The Strategic Approach



The Len Lye Centre is an international destination for experimental film and kinetic art. It houses the collection and archive of Len Lye, one of the most original artists of the twentieth century.

Led by a growing local and international interest in his work, the centre opened in 2015 adjoining the Govett-Brewster Art Gallery. The state of the art facility houses Lye's archive, display galleries, an education centre, and a 62 seat cinema. Designed by New Zealand architect Andrew Patterson, the building is a contemporary interpretation of the essence of Lye and a major cultural destination on the Pacific Rim.

With its curved exterior walls of mirror-like stainless steel, the Govett-Brewster/Len Lye is the country's first example of destination architecture linked to contemporary art and is one of the country's most iconic buildings.

Significantly, all of the construction costs (approximately $11.5m) were raised from outside of the Council, which is most unusual for a large project of this kind. NPDC is committed to meeting the operating costs of the building and exhibitions.

Document Set ID: 7945701
Version: 1, Version Date: 26/02/2019

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Building the Procurement Lifecycle

Completing each stage of the Procurement Lifecycle fully adds significant value to procurement operations. The benefits and outcomes of successfully completing each stage can be clearly defined as follows:

1. Initiating the Project (PLAN)

Outcomes -
- Having the right people, doing the right things at the right time to ensure procurement activity achieves optimal outcomes.

Benefits -
- Initiating early stakeholder engagement.
- Establishing the project team and expertise.
- Establish project probity, governance and management framework.

2. Identify Needs & Market Analysis (PLAN)

Outcomes –
- Analytical strategic thinking leads to smarter procurement and better results.
- Informed decision making optimises outcomes, the Council should not be disadvantaged through lack of knowledge.

Benefits –
- High level statement of needs and a link between needs, policy and business objectives.
- Comprehensive understanding of the market and operating environment.
- Indication of the whole of life costs, benefits and risks

3. Specify Requirements (PLAN)

Outcomes –
- Buying the right quality and quantity to be delivered at the right time and place for the right price.
- The intended results satisfy the needs.
- The right solutions, policy and business needs are clearly articulated and detailed.

Benefits –
- Detailed specification of requirements.
- Specification endorsed by key stakeholders.

4. Plan Approach to Market and Evaluation (PLAN)

Outcomes –
- Right methodology informs optimal choices.
- Probity assurance manages the risks.

Benefits -
- Ideal approach to market, with the right timeframe and evaluation method.
- Procurement plan sanctioned by the team and projects sponsors.

5. Approach Market and Select Supplier (SOURCE)

Outcomes –
- Right suppliers submit quality offers.
- Best supplier selected for the right reasons.

Benefits –
- Recorded evaluations of offers and panel recommendations of preferred suppliers provides clear judgement with fair and open analysis.
- Relevant senior authorisation of recommendation and approval to proceed to contract.



The concept of Puke Ariki was formed in 1993 when a working party was established by New Plymouth District Council to address the problem of the town's museum and library running out of space. The war memorial building, which housed the museum and library had suffered a lack of space for 35 years. Just 5% of the museum's collection was on display to visitors.

In 1995 the site for the new building was agreed – the old Puke Ariki Pā site, a culturally important site for both Māori and Pākehā. The earliest known history of this location dates to around 1700 when it was a significant hill along this coastline on which was located the pā (fortified village). This was the home of the great Māori Chief Te Rangi Apitirua.

The new museum complex was to be built here, on the foreshore and under the mountain, with the library expanding to fill the existing building. The two would be joined by a bridge over Ariki Street. Eventually named Puke Ariki in 1996/7, a Komiti Māori was formed to represent all the iwi in the Taranaki region so ensuring the entire community were able to give their input into this ambitious, innovative project.

On 15 June 2003, the doors were swung open for Puke Ariki's first visitors and history was made. The world's first integrated museum, library and tourist information centre was open. And its success was immediate. Awards for the buildings' innovative design, its interior design and, most importantly, the local people and the out-of-town visitors loved it too.

Document Set ID: 7945701
Version: 1, Version Date: 26/02/2019

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

6. Negotiate and Award Contract (SOURCE)

Outcomes –
- Best deal (quality of goods/services represents value for money) agreed with supplier.
- Contract drives performance.
- Enhancement of Council reputation with organised, fair and ethical behaviour.

Benefits –
- Clear negotiation plan for signed contract.
- Unsuccessful suppliers debriefed and encouraged to use feedback positively.

7. Manage contract and relationships (MANAGE)

Outcomes –
- What was intended to meet the needs is delivered to specification.
- Issues do not become problems. Instead, Council, suppliers and stakeholders collaborate focusing on continuous improvements and efficiency gains.

Benefits –
- Regular reporting, monitoring and evaluation of delivery (contract management plan).
- Develop effective working relationships with supplier and key stakeholders.
- Early recognition of end of contract allowing strategy and transition plan to be established.

8. Renew (MANAGE)

Outcomes –
- The Council demonstrates that it is a learning organisation.
- Verification that good procurement delivers quality results.

Benefits –
- Review outcomes and results.
- Identify lessons to be learnt.

Using this strategic approach, procurement becomes more than an administrative function, adding value in each stage of the whole lifecycle. With the outcomes and benefits of each step clear, this procurement approach takes a whole of life view of activities.

The overall benefit of this strategic approach is the ability see whole of life costs. In essence, the procurement lifecycle provides a cost assessment that considers the start-up, maintenance and end of life costs as well as social, environmental and economic implications.



The TSB Festival of Lights is an annual event held in Pukekura Park, New Plymouth. The event runs from mid-December to early February, there are day and night time programmes of events for people of all ages, and the festival itself transforms the park into an illuminated wonderland every evening.

The Colourful lights are used to highlight tree crowns, ferns, and other plants. Light art displays are installed along the festival walking routes and the waterfalls lit in changing colours. The festival has been a major summer attraction and cultural event for the city since 1993, and is attended by over 100,000 people each year.

The Festival of Lights brings in nearly $4.7 million to the region. The operations are testament to NPDC's organising skills being able to run a large event and managing resources. There is a considerable cost of $500,000 to run the annual event.

Document Set ID: 7945701
Version: 1, Version Date: 26/02/2019

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Let's Get Sustainable

In the past, price has been the single most important factor in procuring goods, works and services. In more recent times, social and environmental factors have become important considerations in awarding contracts. Sustainable public procurement means local authorities must consider long-term economic impact and social responsibility when procuring goods, works and services at all stages of the operations. This is instead of considering comparative cost and benefits of products and services throughout their operational life.

For the Council, sustainable procurement will be 'business as usual'. Its procurement operations will give focus to sustainability – achieving the needs of the business without compromising the future. In taking a sustainable view to procurement, the Council will consider unnecessary consumption and manage the demand of goods, works and service required, while minimising environmental impacts. It will adhere to legislation and other obligations, managing whole of life costs rather than just initial costs.

Some factors that impact on the Councils sustainable procurement and sustainability are identified as follows:

- Optimising use of natural resources
- Minimisation of hazardous substances
- Job Creation
- Equality
- Building sustainable markets
- Climate change
- Waste minimisation
- Health and safety
- Economic regeneration
- Legal compliance
- Public image protection and enhancement

In terms of risk management, traditional techniques do not adequately assess the impact of procurement on social factors, the environment and the economy in the supply chain. The Council's vision is that sustainable procurement will be augmented across Council as a departmental priority, encouraging the key processes of:

1. Identifying the business need for the product or service.
2. Assessing key impacts of the product or services to be procured.
3. Carrying out risk assessment.
4. Evaluating specified products and services against sustainability criteria.

As part of its procurement processes the Council will consider a supplier's ability to provide environmental management systems, corporate social responsibility practices and sustainable achievements. The Council's sustainable procurement practices will incentivise industry to meet requirements and develop new and better technologies. This has benefits for both New Plymouth and wider New Zealand.



Brooklands Zoo was officially opened to the public in 1965. Jack Goodwin, a former Director of Parks, envisaged a collection of aviary birds and small animals for the community to enjoy. The New Plymouth Jaycee Chapter and the New Plymouth Cage Bird Club were key partners who contributed to the construction of the original enclosures and the acquisition of bird and animal stock.

The Zoo has undergone many changes since 1965. Recent building developments have created more natural habitats for the animals while allowing closer, unrestricted viewing for the visitors.

Enrichment is an important and challenging part of a Brooklands Zoo keeper's daily routine. Animals of all types need enrichment to help encourage and stimulate natural behaviours such as foraging for food, stalking and hunting, smelling new scents and changing their environment.

Brooklands Zoo works closely with fully qualified veterinarians for health and dietary advice on our animals and to help maintain regular health checks. Part of a Keepers' daily duties involve checking the health of each individual animal throughout the day. Preventative health practices are also followed such as regularly worming animals etc.

Document Set ID: 7945701
Version: 1, Version Date: 26/02/2019

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Aligning Social Impact with Local Needs

Our suppliers can have an important positive impact on local communities beyond the direct remit of their contract. By aligning social value commissioning with our local strategic needs, the Council can use their supply chain to help achieve local targets. Our long term plan and aspirations of building a Lifestyle Capital recognise and value the Council's social ambitions and obligations. These strategies form our social value's which aid our supply chains ability to form a framework that determines what procurers should be looking for from their suppliers.

In order to gain a deeper understanding of local needs from service users and providers the Council chooses to consult with the local community, including residents, elected officials, social enterprises and other local businesses. This method allows the Council to further under the local social issues that may exist, such as –

- A lack of diversity in the local workforce (under-represented ethnic groups, age groups, genders or demographics).
- A shortage of skills or training.
- Unfair or exploitative labour conditions.
- Unprecedented levels of wealth and income inequality.
- Rising levels of homelessness.
- Unemployment.
- Mental health issues and physical disabilities.
- Substance abuse, violence and gambling.
- Unfunded community groups.
- Chronic and systemic health problems (including poverty and malnutrition).

Through social procurement we can tackle these issues in multiple ways. Commonly, we include social value in the procurement process through tenders, contracts, audits and reviews. Or we have an option to intentionally purchase goods, works and services from social enterprises who reinvest the money to tackle local social problems.

In essence a social procurement approach enables the Council to spend the rate payer's dollar twice. Money that is spent on social procurement is money that was already going to be spent to meet an existing community need, social procurement redistributes spend rather than creating additional spend.

Our focus on people, place and prosperity benefits our wider community and develops our awareness of environmental, social and economic issues. Enabling us to empower our procurement operations to deliver positive and valuable social impacts.

Strengthening the Structure

The Council currently has a decentralised procurement structure, where each area of the business performs its own procurement activities. There are challenges when operating from a decentralised model – the main restriction being limited visibility of economies of scale. It is demonstrably less expensive to procure confidently using the right shared information than to continue central procurement, which risks selection of incorrect goods, works and services through a lack of shared knowledge.



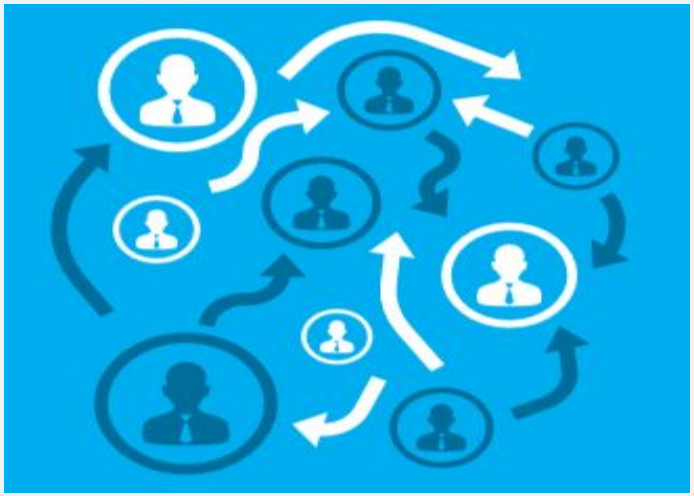
The original clock tower was part of the Post Office building, which was built in 1906-7. Following an earthquake in 1942 a decision was made to demolish the tower due to safety concerns. Although it took 2 attempts due to opposition the clock tower and post office were not demolished until April 1969.

Residents wanted the clock tower back, so a replica was built in 1985 that incorporated the original clock and its mechanism. Henry Rodgers an expert horologist from Nelson, and Alan Reed of Boon, Goldsmith and Company set to work in the mechanism room of the new clock tower. Accurately timed and perfectly synchronised, the clock was set into action ending 16 years of tardiness. The clock tower incorporates the original clock installed in the Post Office building, when it was built in 1907.

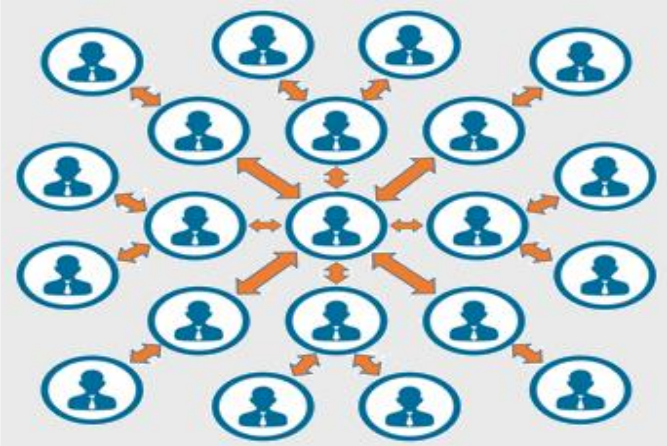
Document Set ID: 7945701
Version: 1, Version Date: 26/02/2019

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Changes to the existing structure will give the procurement department an opportunity to deliver some significant results for the Council. Providing increased visibility and identifying areas of consolidation is fundamental to improving and advancing procurement effectiveness.



Over 60 percent of Council business transactions are governed by contracts. Therefore, greater visibility of all the information will allow more empowered procurement decisions. Consolidation of goods and service contracts will also lead to a strong market position for the Council. Volume purchases will make it possible to make significant gains in the price of goods and lower the price of services.



Rather than requiring a complete an overhaul of Council processes, a few simple steps allowing coordinated information gathering and authorisation schedules will realise benefits such as efficient spending, informed decision making and added flexibility in contracts.

These improvements include developing central procurement templates with heightened authorisation for procurement, further automated contract retention and elevated contract goals for Council departments.



The TSB Bowl of Brooklands is a unique design, comprising of an impressive outdoor sound stage and a large grass amphitheatre, set against the backdrop of New Plymouth's Pukekura Park. With capacity of 15,000, the bowl is a spectacular venue for summer concerts and when night comes, visitors and performers are spellbound as the stage and surroundings trees takes effect.

The venue was judged New Zealand's most atmospheric venue following a survey undertaken by Gemba Group in 2013 and can be hired out for weddings and conferences for up to 350 guests.

The TSB Bowl of Brooklands was built on previous swamp land, the venue opened in 1956 with the first Festival of Pines, which later included the popular Miss Brooklands contest. In 1997 the Bowl of Brooklands Trust and the New Plymouth District Council began a major upgrade of the venue realigning the existing seating areas, narrowing the lake to accommodate a larger stage with curved roofing, plus improving the backstage areas, dressing rooms and facilities.

The Bowl has hosted many international artists like Elton John, Brian Adams, Fleetwood Mac, REM, Lionel Richie and Cliff Richard to name but a few.

Document Set ID: 7945701
Version: 1, Version Date: 26/02/2019

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Using consistent templates and encouraging greater visibility and sharing of information across departments will allow more accurate analysis into current markets and access to knowledge available in the Council. It will add more value to procurement documentation and potentially minimise waste by removing non-conforming suppliers and ineffective contracts.

Non-cost benefits of centralised procurement include a single point of contact and source of information and effective contract management. However, allowing individual departments to continue to undertake procurement using consistent, Council-wide processes will also allow the Council to tap into expertise and business knowledge, adding further value to procurement.

Health & Safety

The Council recognises its obligations under the Health and Safety at Work Act 2015 and as such requires suppliers to take practical steps to ensure safe work practices are employed by all of its suppliers. The Council requires all of its suppliers to comply with these requirements and actively explore ways to promote best practice health and safety throughout the procurement lifecycle.

Risk Management

Risk management is the attempt to define the unknown; restrict or mitigate its effects and manage the consequences. The key factor in risk management is not elimination of risk, which is ever present, but risk awareness and management.

In procurement terms, this means suitable and well timed decisions that have regard for the public and ensure value for money. For the Council, risk assessment is of paramount importance as it informs resource allocations and sets priorities in both managing impacts and actioning contracts.

The Council's approach to identifying, quantifying and managing risk must be robust and adaptable so that any risk is retained by, or transferred to, the party who can manage the risk most effectively. In procurement planning it is important to appropriately balance risks with the potential benefits and opportunities that may arise through the procurement process.

During significant procurement planning processes, procurement and project officers must give detailed consideration to the risks associated with the specific circumstances and context of the particular procurement. This includes the general risks associated with the procurement (i.e. supply market considerations and business risk considerations), as well as risks specific to the probity of the procurement process.



The iconic TSB showplace is located in the heart of New Plymouth and is the main theatre hosting numerous international touring productions, while it caters for conferences of up to 1,000, intimate dinners for six, through to large banquets for 350. The two main venues at the TSB Showplace include the beautiful TSB Theatre and the Theatre Royal. The venue has numerous other rooms and break-out areas with bar and lounge options.

TSB Showplace is a category A heritage building that was known as Alexandra Hall when built in 1883 by a group of businessmen. It was enlarged in 1904 and sold to New Plymouth Theatre Company and renamed the Theatre Royal, before it was destroyed by a fire on 21st July, 1916. Following this, the site stood empty for several years. In 1923, the town's two cinema companies pooled their resources together to establish the New Plymouth Opera House. T.H. Bates, who had been involved in the building the nearby Mayfair Theatre, designed the Opera House and it was rebuilt and opened 25th November 1925.

By 1969 the venue had once again fallen into disuse. In 1970 it was offered up for sale, with the greatest interest coming from an Auckland man who planned to bulldoze the site and build a supermarket. The New Plymouth Operatic Society stepped in to raise the funds needed to purchase the building and create the New Plymouth Opera House Trust. In 1997 the Trust handed management of the Theatre to NPDC. NPDC and the TSB Bank refurbished and expanded the Theatre and reopened 6th February 1999.

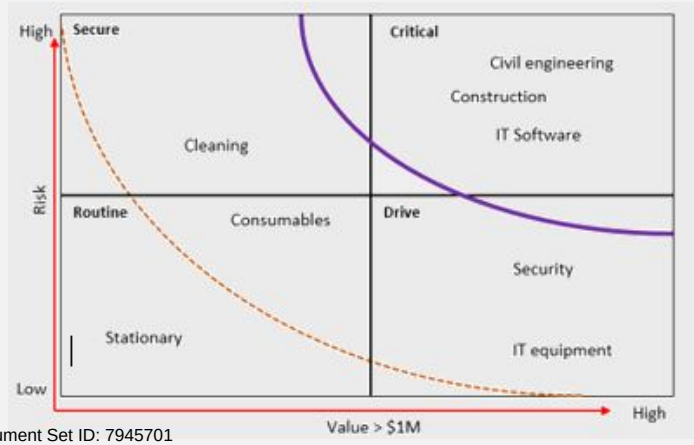
Document Set ID: 7945701
Version: 1, Version Date: 26/02/2019

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

Some Council procurements carry a naturally high risk threshold. The onus is on procuring officers to demonstrate a thorough risk analysis, providing justification for the risks assigned to the procurement and outlining how these risks will be managed.

Although they should not be regarded as complete or conclusive, the following factors may indicate a high risk procurement:

- The project is high value.
- Council is not an informed buyer
- The procurement is subject to high degree of public scrutiny.
- The selection criteria involves a high level of subjectivity.
- The project is complex, unusual or contentious.
- The project will utilise a complicated contract structure.
- There is a high potential for a conflict of interest or perceived COI.



Changes to Risk Assessment

The Council is looking at new approaches to procurement risk assessment, including using an assessment tool known as the PESTEL analysis. This type of analysis involves a scan of the wider environment and identifies external factors that may impact on procurement. Factors may be:

- Political
- Economic
- Social
- Technological
- Environmental
- Legal

Analysing these factors and the Council's internal risk during procurement planning allows determination of the pros and cons through SWOT reasoning.





New Plymouth Airport serves the city of New Plymouth, and the surrounding region of Taranaki. The original airport opened in 1933 with the NP Airport Act. During World War II the airport became RNZAF Bell Block Airbase. Post war, the airport returned to civilian use, and was used by New Zealand National Airways Corporation with links to Whenuapai (Auckland) and Paraparaumu (Wellington).

In line with general improvements of New Zealand's infrastructure throughout the 1950s and 1960s, and National Airways Corporation (NZNAC) acquisitions of Fokker F27 Friendships, New Plymouth's airport was reviewed. In view of the undulating land, the need for a tarmac runway for the F27, and the clearer approach paths required, a new airfield was soon under construction at the end of Brown Road (recently renamed Airport Drive).

During construction of the airport, a small hill at the west end of the runway had to be levelled off, due to take-off and landing path infringements. The site of a Puketapu Hapū burial ground, the government of the day decided to go ahead with construction, and despite protests, most of the hill was levelled.

The airport opened in 1966. The airport's terminal building opened in 1967 and was designed to handle just 60,000 passengers per year. In 2015, 342,000 passengers had flown in and out of New Plymouth making it the 9th busiest airport in the country.

In 2016, Councillor's unanimously approved a $28 million airport terminal upgrade. The subsequent re-development has involved Puketapu, providing the hapū, in collaboration with the airport company's Board of Directors, an opportunity to incorporate a cultural narrative into the design of the facility.

Document Set ID: 7945701
Version: 1, Version Date: 26/02/2019

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

This approach enables procuring officers to determine areas requiring immediate attention and management, and to highlight areas for monitoring and review. It also provides advantages in positioning areas of strength and identifying opportunities to increase the Council's presence in the market.

The Procurement team is committed to maximising returns in order to contribute to 'Building a Lifestyle Capital'. A relatively new action for some areas of the Council, risk assessment systems will be advanced over time, and as sustainable risk assessments become more integrated into Council's procurement activities.

Achieving Excellence

Aspiring to operational excellence, the Council's Procurement Team views continuous improvement as business as usual, striving to get it 'right first time, every time'. The Procurement team is committed to a high quality procurement lifecycle with effective and consistent procurement processes that are clearly documented.

Holding organisational knowledge in high regard, the Procurement Team converts data into information with enough depth to retain key knowledge and intellectual property. The team shares examples of operational excellence, incorporating it into continuous improvement programmes.

It also builds effective staff engagement to create consistency across the organisation, ensuring all procurement activity aligns with the Council's policies, strategies and values. Good levels of literacy and numeracy underpin the support and guidance provided to the rest of Council with clear lines of communication across all levels of the organisation, from senior management to external suppliers.

The Council continues to develop business integrity and excellence by complying with legal requirements and national governance. A shift from managing the supply chain to adopting the procurement lifecycle model to change procurement behaviour will lead to better procurement management, raising excellence in meeting desired performance goals.



In 1989, as a part of New Zealand-wide reorganisation of local government, New Plymouth City Council was merged with Taranaki District Council (Taranaki County Council and Waitara Borough merged in 1986), Inglewood District Council (Inglewood Borough and County merged in 1986), and Clifton County Council to form New Plymouth District Council.

Every three years the Mayor, 14 councillors and 16 community board members are elected by the New Plymouth District's enrolled voters. The full Council, sub-committees and standing committees meet on a six-weekly cycle.

The Chief Executive, the Executive Leadership Team and the Council's team of staff provide advice and information to the elected members and the public. They implement Council decisions and manage the district's day-to-day operations. This includes everything from maintaining more than 280 parks and reserves, waste water management and issuing consents and permits, through to providing libraries and other recreational services and ensuring the district's eateries meet health standards.

Document Set ID: 7945701
Version: 1, Version Date: 26/02/2019

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

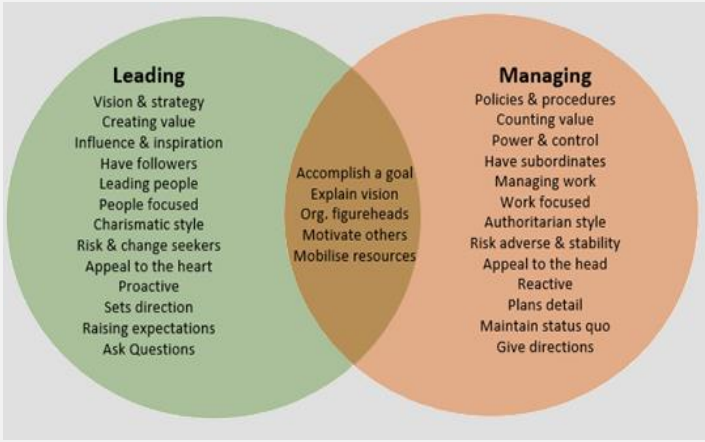
Supply Chain Leadership

The Council and the procurement department are the first link in the supply chain that delivers goods, works and services to the community. This strategy aims to inspire good practice through lifecycle management and leadership.

For the Council to achieve aspirations of leadership in the supply chain, the Procurement Team must provide quality, effective and efficient guidance to the whole of the organisation. The Council must know when to apply leadership and when to manage supplier relationships to greater and lesser degrees. This strategy gives effective guidance on managing tasks, events and processes within the three stages of the procurement lifecycle. Taking advantage of opportunities for sustainability and innovation in local services, the Council also strives to make the procurement process fast, simple and less costly across the whole of lifecycle.



Pursuing the highest standards, the Council leads by example in inclusiveness, diversity, equality and ethical conduct. Putting people first, caring for place and supporting a prosperous community, the Council leads its supply chain partners toward a shared vision of 'Building a Lifestyle Capital' for the New Plymouth district.





The tribes of Taranaki Iwi, Te Āti Awa, Ngāti Maru, Ngāti Mutunga and Ngāti Tama have occupied the lands around Taranaki Maunga for hundreds of years. The Tainui-affiliated iwi of Ngāti Maniapoto also falls within the northern boundary of the District.

Each iwi remains an autonomous, independent and self-governing collective of hapū, which continue to exercise mana whenua over their lands and assets, and cultural identity and tikanga.

With recent historic Treaty of Waitangi settlements, and Ngāti Maru and Ngāti Maniapoto in the process of settling, iwi are re-emerging as potential economic powerhouses across the Taranaki district.

Coupled with the growth and development of hapū- and whānau-based businesses, and Māori entrepreneurial business and commercial success, iwi Māori across the District are contributing to a Māori economy currently estimated at $42.6B.

With the potential to double its asset base by 2030, increased Māori business ownership, greater participation in high value industries, and increased income and employment levels will see an uplift in the well-being of both iwi Māori and other communities across the District.

Document Set ID: 7945701
Version: 1, Version Date: 26/02/2019

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

EXCLUSION OF THE PUBLIC FOR THE REMAINDER OF THE MEETING

PURPOSE/ TE WHĀINGA

1. This report details items that are recommended to be considered with the public excluded, and the reason for that recommendation.

RECOMMENDATION / NGĀ WHAIKUPU
That having considered all matters raised in the report, the Council hereby resolves that, pursuant to the Local Government Official Information and Meetings Act 1987, the public be excluded from the following parts of the proceedings of this meeting:

a) Cybersecurity Deep Dive 2024/25
The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage. This particular interest being protected by section 7(2)(j) of the Act.

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987.

COMPLIANCE	
Significance	This matter has been assessed as being of some importance.
Options	This report identifies and assesses the following reasonably practicable options for addressing the matter: 1. Exclude the public. 2. Not exclude the public.
Recommendation	This report recommends **Option 1** for addressing the matter.
Long-Term Plan / Annual Plan Implications	There are no budget considerations.
Significant Policy and Plan Inconsistencies	This report is consistent with Council's Policy and Plans.

BACKGROUND / WHAKAPAPA

2. The exclusion of the public is permitted, for specific purposes, under Section 48 of the Local Government Official Information and Meetings Act 1987.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

SIGNIFICANCE AND ENGAGEMENT / TOHUTOHU KAI WHAKAHAERE

3. In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as being of some importance because the exclusion of the public is a statutory procedure that will have a little or no impact on the Council's strategic issues.

OPTIONS / KŌWHIRINGA

Option 1 Pursuant to the Local Government Official Information and Meetings Act 1987, good reason exists to exclude the public for consideration of the items listed.

Option 2 The Council can choose to consider these matters in an open meeting.

Risk Analysis

4. Release of information which meets the statutory tests for withholding (under the Local Government Official Information and Meetings Act 1987) may expose the Council to legal, financial, or reputational repercussions.

Recommended Option
This report recommends **Option 1**, exclusion of the public for addressing the matter.

Report Details

Prepared By:	Claire Kelly (Governance Advisor)
Team:	Governance
Approved By:	Julie Straka (Governance Lead)
Ward/Community:	District Wide
Date:	21 July 2025
File Reference:	ECM 9541599

----------*End of Report* ----------

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025

CLOSING KARAKIA

TE WHAKAEATANGA

Te whakaeatanga e,
Tēnei te kaupapa ka ea,
Tēnei te wānanga ka ea,
Te mauri o te kaupapa ka whakamoea,
Te mauri o te wānanga ka whakamoea,
Koa ki runga,
Koa ki raro,
Haumi e, hui e, tāiki e.

It is completed, it is done,
We have achieved our purpose,
Completed our forum,
Let the purpose of our gathering rest for now,
Let the vitality of our discussions replenish,
We depart with fulfilled hearts and minds,
Bonded in our common goal and unity.

This karakia is recited to close a hui or event. It takes us from a place of focus and releases us to be clear of all the issues or tensions that may have arisen during the hui. We are now free to get on with other things.

Document Set ID: 9550308
Version: 1, Version Date: 30/07/2025