

NEW PLYMOUTH. TARANAKI.

Annual Report 2014 / 15



TARANAKI
like no other



Te Kaunihera-ā-Rohe o Ngāmotu
**NEW PLYMOUTH
DISTRICT COUNCIL**
newplymouthnz.com



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Message from Mayor and Chief Executive



Welcome to New Plymouth District Council's Annual Report 2014/15. In this document we look back on the last financial year and report on how we performed against the objectives and direction set with our community.

The 12 months to the end of June 2015 have seen some major projects make significant progress or be completed.

After previous work to improve the efficiency of the New Plymouth Wastewater Treatment Plant and lay a pipeline between the New Plymouth plant and Waitara, we finished the last piece of the project when the Waitara Wastewater Treatment Plant was converted into a pump station. As a result, all of the town's wastewater is now treated in New Plymouth.

At the end of June 2015, the long-awaited Len Lye Centre was just a few weeks away from opening. Substantial work had also taken place at the Govett-Brewster Art Gallery, on earthquake-strengthening, upgrades and maintenance. The combined arts museum is a magnificent addition to the central city, with more than \$12 million of external funds raised for the construction and fit-out of the Len Lye Centre.

Another project that made great strides in 2014/15 was the planned extension of the terminal at New Plymouth Airport, along with extending the apron (for airplane parking) and the public car park. We are far down the track toward completing the detailed design for the new terminal, which is much-needed for an airport that is the ninth-busiest in New Zealand.

Of course, the airport is about to get even busier following news that we were successful in our bid for New Plymouth to be one of the four cities that Jetstar will now service, alongside our long-standing customer Air New Zealand. Jetstar's first flights will come in February 2016.

However, one of our biggest projects has been the planning and implementation of a new kerbside collection service for rubbish and recycling. This new contract is being established jointly with Stratford and South Taranaki district councils – the latest in a long list of shared services between councils in Taranaki.

Selecting the type of new service has involved a lot of research on the possible options, public consultation and Council debate, and the construction of a purpose-built resource recovery facility for processing recyclables. Preparing the delivery of thousands of wheelie bins, blue crates, rubbish bags and information packs to households throughout our district has been a challenge of logistics. However the work will be worth it if we can realise the potential financial and environmental benefits from increasing the amount of household waste that is recycled rather than sent to the landfill.

Also helping the environment, as well as our own health, is Let's Go. This project encourages sustainable transport for leisure and commuting and has continued to deliver programmes (such as school students learning to ride their bikes safely) and physical improvements (including the extension of the Coastal Walkway to Bell Block Beach). This progress reinforces a growing habit among residents to leave the car behind for trips.

The attention of millions of football fans around the world turned our way when New Plymouth was one of seven host cities of the FIFA U-20 World Cup New Zealand 2015. This event required months of planning and expert work from the Council's venues and events staff, groundskeepers and local volunteers. Our six matches – including a round of 16 game – gave New Plymouth District and the Taranaki region unprecedented media coverage in countries around the world.

Our home-grown event of the TSB Bank Festival of Lights received well-deserved national recognition in 2014/15. Not only was it a finalist in the Best Partnership for an Event category at the New Zealand Association of Event Professionals Awards, but the festival also achieved the Outstanding Event Award from the New Zealand Recreation Association.

Running key services in the district involves some big numbers. For instance, in 2014/15 the Council produced 12.8 billion litres of drinking water, all of which complied with the NZ Drinking Water Standards. We also treated 8.5 billion litres of wastewater, and from that produced 1,600 tonnes of Bioboost for sale as an approved fertiliser.

Message from Mayor and Chief Executive



Speaking of big numbers, more than 700,000 people visited Puke Ariki and the community libraries in 2014/15, and these community facilities provided more than 1,200 programmes for the public to participate in.

Then there was the June 2015 storm, during which more than half of that month's rain fell – including 273.5mm in Inglewood, 150mm at Bell Block and 150mm at Brooklands Zoo. The continual heavy rainfall gave us a lot of challenges, particularly on back-country roads, with stormwater drainage and with wastewater treatment (which was under pressure from high flows of surface water).

We managed that event well – especially with the city's flood detention dams keeping stream flows to the central city at a manageable level – but we had a significant clean-up programme to see to on our roads in the eastern hill country.

Another unforeseen event was a by-election in the New Plymouth Ward, to fill two vacated seats. We also held a referendum on the establishment of a Maori electoral ward, with the 'no' result overturning the Council's earlier decision to go ahead with the change.

Meanwhile, the Council reported a strong cash position during 2014/15. This enabled our external borrowing to be lower than budgeted by \$14m.

Our strong financial management also resulted in the Council deciding to defer the quarter four release from the Perpetual Investment Fund, which will help the PIF to grow for the benefit of residents today and in the future.

All in all, it's been a very busy and successful year for our great district.

Andrew Judd
New Plymouth District Mayor

Barbara McKerrow
Chief Executive

Our District



New Plymouth District is one of the largest districts in New Zealand, comprising 232,400 hectares (2,324.26 square kilometres).

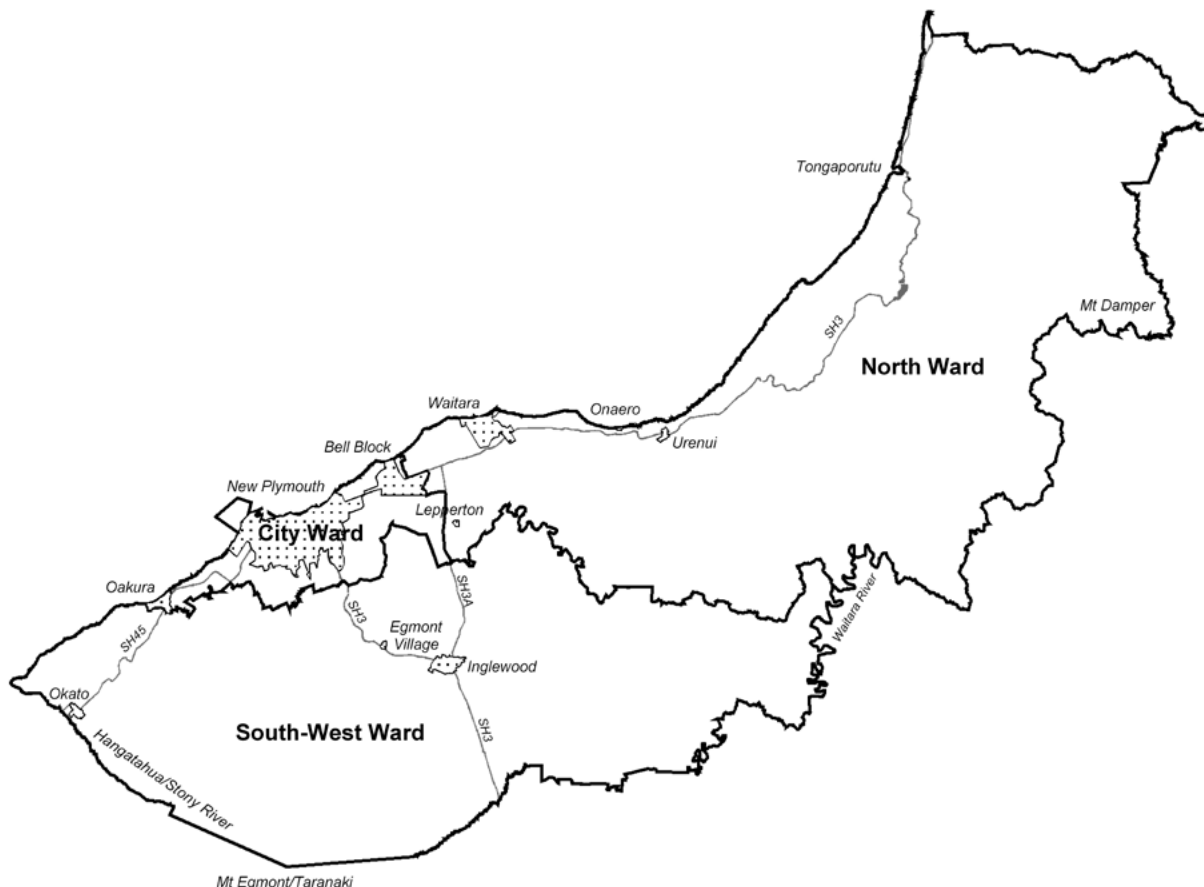
Its long 150 kilometre coastline runs from Mohakatino River in the north to the Stony (Hangatahua) River in the south, and the spectacular landscape includes Mount Taranaki, the mountain's ring plain across to Tariki, and broken hill country in the east.

White and black gold are at the heart of the local economy: the dairy industry (white gold) and petrochemical industry (black gold) provide jobs directly and through supply-chain industries, with other large industries including health care, manufacturing and engineering. Port Taranaki is New Zealand's only deep-water port on the west coast and is one of the busiest ports in the country.

The district's landscape provides an enviable outdoor lifestyle, especially as only five per cent of the district's land is urban. There are 13 official beaches and more than 70 kilometres of walkways. With 219 Council-owned parks and reserves, more than 80 per cent of residents within 400 metres of one.

The district's population of 75,000 is based around the City of New Plymouth, the towns of Waitara, Inglewood, Ōākura and Okato, and many smaller communities. Councillors are elected to New Plymouth District Council via three wards – City Ward, North Ward and South-West Ward – while the Mayor is elected by the entire district.

New Plymouth District has a sound infrastructure for business development and its moderate population growth is well planned for.



Our Activities at a Glance



About the Council

New Plymouth District Council (NPDC) is made up of 15 elected members - the Mayor and 14 councillors. The Mayor's role includes leading the development of plans, policies and budgets for the consideration of councillors. Community boards represent and advocate for the interests of local communities. NPDC has four community boards representing Clifton, Inglewood, Kaitake and Waitara.

The Council's Chief Executive and Council staff implement Council decisions and manage the district's day-to-day operations.

Our aim

The Council's aim is that New Plymouth District will offer an attractive living environment that compares favourably nationally and internationally. It will do this to attract and retain the skilled labour force our community needs to grow and prosper.

The unifying purpose of all NPDC services lies in creating an attractive living environment.

NPDC will invest in, maintain, assist and encourage others to provide those diverse facilities, infrastructure and services that are needed to make New Plymouth District nationally and internationally a location of choice.

We have set in place seven community outcomes - the things we want for the district. These are for the district to be connected, prosperous, secure and healthy, skilled, sustainable, together and vibrant.

The Council adopted a new strategic framework to guide decision-making, planning, policy and strategy development. The framework consists of the Shaping Our Future Together (SOFT) vision, outcomes and principles; and the New Plymouth District Blueprint. This strategic framework came into effect with the adoption of the Long-Term Plan 2015-2025.

What the community said

The Council commissions an independent annual survey of customer satisfaction.

Overall the survey results showed a high level of satisfaction with the services and facilities provided by the Council, particularly when compared to peer group councils. Residents were particularly satisfied with Puke Ariki museum and library, district libraries, parks and reserves and access to the natural environment. Residents were less satisfied with solid waste management and parking.

Working together - Maori participation

The Council engages with Māori throughout all its day-to-day operations, but also has a number of commitments at a strategic level which support the development of Māori capacity to participate more fully and effectively in the decision-making processes of the Council.

The Council is currently undertaking discussions with iwi and hapū to explore options for engaging in an effective and meaningful way.

Our Activities at a Glance



Achieving results for you

The Council organises its workload into 16 activities: Parks, Roads and Footpaths, Stormwater Drainage, Flood Protection and Control Works, Solid Waste and Refuse Collection, Water Supply, Wastewater Treatment, Emergency Management and Business Continuance, Community Development, Govett-Brewster Art Gallery, Puke Ariki and District Libraries, Recreation and Events, Regulatory Services, Economic Development, Civic and Democracy Services and Management of Investments and Funding.

Each of these activities has produced achievements during the 2014/15 year and some of these are listed below.

Parks

- High level of community satisfaction with the quality and care of the parks assets under the care of the Council.
- Continued improvements to the district's walkways.
- Ongoing development of the new district cemetery.
- Provision of first class playing and training fields for the FIFA U20 World Cup.

Roads and Footpaths

- Although one of the community satisfaction targets was narrowly missed, the community satisfaction levels reached were generally high.
- The maintenance and renewal programme targets for the 2014/15 year were substantially achieved as outlined in the Roding Asset Management Plan.
- The programme of pavement renewals and hotmix surfacing continued successfully within the high profile New Plymouth CBD area.
- The fifth year of the Model Community for Walking and Cycling project (branded in the community as 'Let's Go') was substantially on target with its travel planning and skills training sessions although there continued to be some lead-time challenges with infrastructure improvements.

Stormwater Drainage

- On 20 June 2015 during high flows in the Waitara River, stormwater was pumped out of the Waitara system at the the War Memorial Stormwater Pump station. This significantly reduced the ponding within Waitara.
- The Whakapaki Street (Urenui) Stormwater upgrade was completed.

Flood Protection and Control Works

- On 20 June 2015 a rain event caused widespread damage across the region. The dams retained water protecting New Plymouth City from flooding.

Solid Waste and Refuse Collection

- Construction started on Materials Recovery Facility (for processing recyclables).
- Education campaigns in relation to illegal dumping (regionally) and food waste (nationally) successfully raised awareness of these issues in the community.



Our Activities at a Glance

Water Supply

- Brois Street, New Plymouth water main was renewed.
- Tasman Place, New Plymouth water main renewal.
- Diversion of the western trunk water main (serving western New Plymouth and CBD) and reconstruction of a pipe bridge on the eastern feeder trunk water main (services Bell Block, Waitara, Onaro and Urenui).
- Bores drilled for Okato water supply augmentation.
- Installed inlet flowmeters for Inglewood and Okato water supply intakes.
- This year we produced 12.8 billion litres of fully compliant drinking water.

Wastewater Treatment

- Reconstruction of Rimu Street pump station and Lee Breakwater pump station (New Plymouth).
- Ongoing operational improvements including replacing and refurbishing poor performing pumps and obtaining operation efficiency in pump stations at Te Henui (New Plymouth) and Inglewood.
- Renewal of sewer pipe in Broadway, Waitara.
- Renewal of sewer pipe in Rewa Street, Inglewood.
- We lined 2,238m of sewer pipe (extending their life without having to excavate).
- Completion of conversion of Waitara Wastewater Treatment Plant to pump station and successful commissioning of this plant.
- Treatment of 8.5b litres of wastewater prior to discharge back into the environment without any significant adverse environmental impact.
- Production of 1,600 tonnes of Bioboost®.

Emergency Management and Business Continuance

- Major flooding event in New Plymouth district during June 2015. Main damage was due to landslips and underslips which affected roads around the district.
- Major rural fire incident at Colson Road Landfill.

Community Development

- The changing nature of New Plymouth District through population change (demographics) has been understood and incorporated into the Council's long-term planning processes and initiatives developed to soften the effects from forecast changes. These changes are a result of population change from ageing, birth and death rates, and migration from people coming to live here or leaving (i.e. youth for study).
- Progress has been made on an initiative to deliver more effective 'hands on' vocational education within Taranaki via establishment of the Taranaki Futures Trust, aimed to build a stronger workforce for regional industry needs.
- Work to enhance the capacity building partnership known as the Wheelhouse has continued, with the addition of a Community Mentoring programme and access to Generosity NZ (via a regional license) to 1200 resource schemes for communities, volunteer organisations and clubs.
- The Council distributed \$870,000 in funding to community organisations via its Community Grants scheme.

Our Activities at a Glance



Govett-Brewster Art Gallery

- Continual fundraising and the building completion project of the Len Lye Centre was the main focus for the year.
- The Govett-Brewster remained closed for earthquake strengthening and building compliance purposes. Working off-site required additional resourcing and effort. Fifteen community engagement events held at different venues in New Plymouth that had a specific role in building community spirit. One hundred per cent satisfaction recorded from teachers using the Ministry of Education Learning Outside the Classroom (LEOTC) service. Works from the Govett-Brewster Collection and Len Lye Collection were included in two Len Lye international touring exhibitions, and one national exhibition; and one regional and two national exhibitions featured the contemporary art collection. Reuben Paterson's "glitter tree" in the Festival of Lights at Pukekura Park was visited by 206,397 people, and became a New Plymouth social media phenomenon.

Puke Ariki and District Libraries

- 710,189 people visited Puke Ariki and community libraries and 97 per cent of users said they were satisfied with their experience at Puke Ariki.
- 1,207 programmes were held over 2014/15 (target 865), including 818 facilitated programmes in Education, Discover IT and the Taranaki Research Centre and 389 exhibition and community related events with 29,973 recorded attendees overall.
- 1,606,886 web page views on Puke Ariki websites (target was 300,000). This number includes access to Kōtui, Kete, Venon and special project websites (Kiwi Prefab and Homework).
- Tourism related enquiries, bookings and visits recorded at 84,081 (target 33,000).

Recreation and Events

- Numbers of attendees to the Council's swimming pools were down slightly on the previous year due to the four month closure of the indoor pool for refurbishment. Attendance numbers at the venues remain strong in line with an increase in the programme of events and activities.
- Yarrow Stadium built on its growing reputation as a multi-sports venue by hosting six games from the FIFA U20 World Cup, two Super Rugby games and due to the success of Taranaki Rugby, seven ITM Cup matches including a semi final and the final. A successful summer was also enjoyed at the TSB Bowl of Brooklands with seven major events being presented.
- High numbers of visitors continue to enjoy the TSB Bank Festival of Lights with satisfaction levels reaching 99.13 per cent.

Regulatory Services

- High customer and resident satisfaction levels with customer and regulatory services provided with an overall 96 per cent satisfaction rate.
- Building accreditation maintained after external audit with no corrective actions required.
- Ninety-nine per cent of the buildings identified as requiring earthquake assessment have been assessed; 18 buildings have been confirmed as earthquake-prone. Three buildings have been demolished and removed from the register.
- There has been a 70 per cent increase in customers accessing case management for planning projects compared to last year.
- Eighty-three per cent of impounded dogs were reunited with their owners or found new homes (target 65 per cent)

Our Activities at a Glance



- 98 per cent of food premises inspection required no remedial action required (target 95 per cent).
- Planning for implementation of the Food Act 2014 in progress on track for March 2016.

Economic Development

- Funding and oversight of the district's economic development and regional tourism contracts under which Venture Taranaki provides a range of programmes, projects and business support.
- Through the above:
 - Injection of over \$1.4m of grants into Taranaki businesses (target \$500,000).
 - Investment of over \$341,000 in building management capability for Taranaki's small and medium businesses (target \$140,000).
 - Achieved 91 per cent client satisfaction with business support services (target 80 per cent).
 - Attracted or retained 10 major events (target 3 events).
- The Council resolved to review the economic development services provided by VTT to NPDC on 19 May 2015 as part of its obligations under Section 17a of the Local Government Act.

Civic and Democracy Services

- Unanticipated by-election (two councillors) and poll on the establishment of a Maori Ward undertaken in compliance with the Local Electoral Act.
- A full year of meetings was carried out successfully, including the adoption of the Long Term Plan 2015-2025.
- Unmodified audit opinion for Long-Term Plan 2015-2025.

Management of Investments and Funding

- Due to the Council's strong cash position where external borrowing was lower than budget by \$14m, the Council made the decision to defer the quarter four release from the PIF. The release received from the PIF was \$6.8m.
- The Local Government Funding Agency (LGFA) continues to be a success story for Local Government, helping reduce borrowing margins. The Council now has \$56m of borrowings with the LGFA.
- The Council's borrowing programme was managed within the guidelines of the Treasury Management Policy with all compliance measures achieved.
- The following pages provide an overview of the Council's and the Group's financial performance for the year ended 30 June 2015.

Funding from external sponsors

The Council would like to gratefully acknowledge and thank the following funders.

Funder	Description	Amount
Asplundh	Guided walks, major sponsor (Parks)	7,500
AWE	Water safety programme (Recreation and Events)	42,750
Creative New Zealand	Artist visits and residencies (Govett-Brewster Art Gallery)	43,300
Department of Internal Affairs Lottery Grants	Len Lye Centre	2,645,980

Our Activities at a Glance



Funder	Description	Amount
Friends of Puke Ariki	Summer reading programme (Puke Ariki)	1,500
Gas and Plumbing	Guided walks, sponsor (Parks)	2,500
George Mason Trust	Scholarships (Puke Ariki)	10,000
	Summer student - summer reading programme (Puke Ariki)	5,000
Govett-Brewster Foundation	Acquisitions, history book, opening (Govett-Brewster Art Gallery)	97,950
Len Lye Centre Trust	Len Lye Centre	452,670
LEOTC	Education programme (Govett-Brewster Art Gallery)	44,200
Lion Foundation	Festival of Lights - sound and lighting (Recreation and Events)	20,000
Lottery Grants Board	Len Lye Centre	500,000
Ministry for Culture & Heritage	Waitangi Day event (Recreation and Events)	3,000
Ministry of Education	LEOTC schools education programme (Puke Ariki)	60,800
Ministry of Youth Development	Youth development event (Community Development)	10,000
NZCT	Festival of Lights - brochure and printing (Recreation and Events)	25,000
Shell NZ	Tamanui Story project (Puke Ariki)	80,000
Southern Trust	Festival of Lights (Recreation and Events)	20,000
Taranaki Electricity Trust	Stage 3 Swainson/Woods project (Puke Ariki)	84,635
Taranaki Regional Council	Natural Wonders project (Puke Ariki)	30,000
	Dinosaur Footprints exhibition (Puke Ariki)	12,000
	Long-term Gallery refresh (Puke Ariki)	83,000
Technix Industries	Len Lye Centre	24,450
TGM Design	Guided walks, sponsor (Parks)	5,000
Todd Energy	Len Lye Centre	500,000
	Aquatic Centre (Recreation and Events)	110,000
TSB Community Trust	Festival of Lights - on stage programme and provision of regional buses (Recreation and Events)	110,000
	FIFA U20 World Cup - regional buses, advertising and assistance with costs to support the schools programme (Recreation and Events)	25,000
	Support for concerts (Recreation and Events)	35,500
	Waitangi Day event (Recreation and Events)	5,000
	Stage 3 Swainson/Woods project (Puke Ariki)	84,000
	Crackerjacks programme (Puke Ariki)	5,500
	Temporary exhibitions - Musik: From Sound to Emotion and Sunlight (Puke Ariki)	49,000

Financial Summary



The following pages provide an overview of the Council's and the Group's financial performance for the year ended 30 June 2015.

Overall results - at a glance

The Council enjoyed a strong financial performance recording a surplus of \$44.9 million which was considerably higher than the budget surplus of \$10.4m. The primary driver of the significant variance to budget was the strong performance of the Perpetual Investment Fund (PIF), which was driven largely by a strong performance from the Tasmanian Farm investment and a weaker New Zealand dollar. Further commentary on the PIF follows below. This accounted for \$29.6m of the over performance and it should be noted that this is largely unrealised gains. The surplus was also helped by operational savings in personnel costs, depreciation and finance charges. The biggest contributor in this regard was the finance costs which were \$2.4m under budget. This was the result of lower interest rates than budgeted and lower borrowing due to the timing of the capital expenditure program. The result was also help by stronger operational revenue particularly in recreation and events, parks and solid waste.

Key facts at a glance (community)

Number of residents	79,000
Number of rateable properties	34,766

Perpetual Investment Fund (PIF) investment

The PIF achieved a 20.1 per cent per annum return and finished the year up \$35.6m to \$253.6m after payment of releases and costs of \$8.2m for the year.

Since inception the PIF has paid \$181.1m in release payments to the Council and achieved an annual return of 6.8 per cent per annum.

A full takeover of Tasman Farms Limited's (TFL) subsidiary the Van Diemen's Land Company (VDL) was concluded this year with the acquisition of 1.58 per cent of shares that TFL did not already own. This has resulted in a new head company Tasmanian Land Company Limited being established and the simplification of the corporate structure.

The favourable exchange rate movements on foreign denominated assets and the positive impact from the VDL takeover and corporate restructure were the biggest drivers of value movement over the year.

The PIF asset allocation is designed for a long term investment horizon and matches the multigenerational perpetual mandate of the PIF.

The expected return over the next four years is 6.0 per cent per annum and the following five years is 7.6 per cent per annum.

Financial Summary



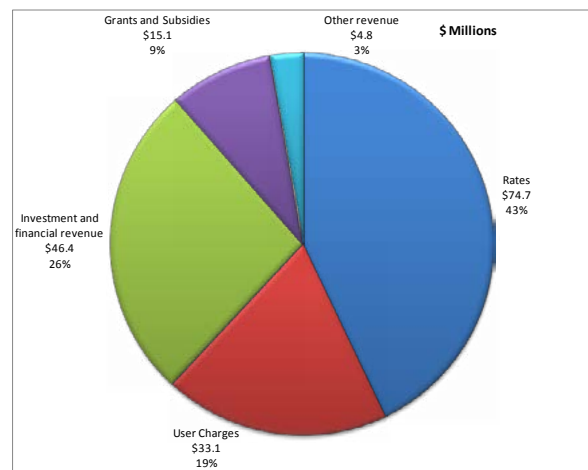
Summary of Comprehensive Revenue and Expense

	Council			Group	
	2014/15 Actual (\$000)	2014/15 Budget (\$000)	2013/14 Actual (\$000)	2014/15 Actual (\$000)	2013/14 Actual (\$000)
Operating revenue excluding PIF	129,788	124,730	128,027	129,820	127,871
Perpetual Investment Fund	44,242	14,650	14,350	7,517	14,350
Total operating revenue	174,030	139,380	142,378	137,337	142,221
Operating expenditure excluding PIF	128,268	129,030	127,338	128,533	127,970
Perpetual Investment Fund	811	-	2,257	811	(1,484)
Total operating expenditure	129,079	129,030	129,595	129,344	126,486
SURPLUS/(DEFICIT) BEFORE TAXATION	44,951	10,350	12,783	7,993	15,735
Taxation (expense)/refund	25	-	(3)	25	(3)
NET SURPLUS AFTER TAX FOR THE YEAR FROM CONTINUED OPERATIONS	44,976	10,350	12,780	8,018	15,732
Net surplus after tax for the year from discontinued operations	-	-	-	2,999	8,106
SURPLUS/(DEFICIT) AFTER TAXATION	44,976	10,350	12,780	11,017	23,838
Other Comprehensive Revenue and Expense					
Increase/(decrease) Asset Revaluation Reserve	(193)	-	2,820	(193)	5,086
Revenue tax on Other Comprehensive Revenue and Expense	-	-	-	24,898	(680)
Foreign currency translation	-	-	-	6,495	(12,449)
Total Other Comprehensive Revenue and Expense	(193)	-	2,820	31,200	(8,043)
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	44,783	10,350	15,600	42,217	15,795

Revenue

The Council received \$174.0m of revenue from a variety of sources. The graph shows the sources of the Council's revenue of \$174.0m during 2014/15.

While rates continue to be the main source of funding, the Council also receives revenue from a number of other sources, including funding for capital expenditure as well as fees and user charges.



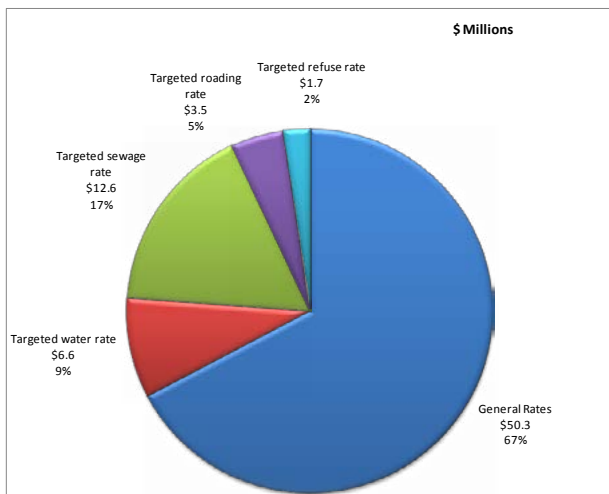
Financial Summary



Revenue from rates

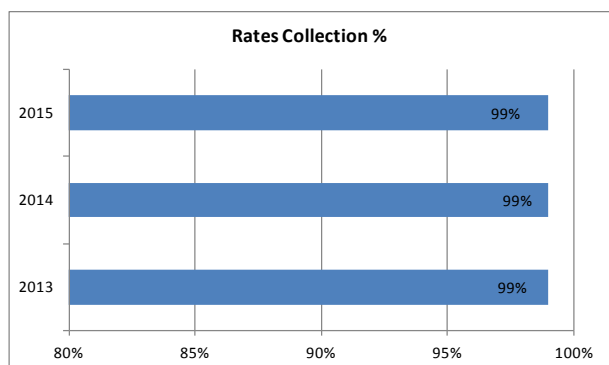
The Council received \$74.7m from rates revenue. The Council receives revenue from General Rates and from a range of targeted rates, including a targeted rate for roading, sewage and water.

A breakdown of rates is shown below.



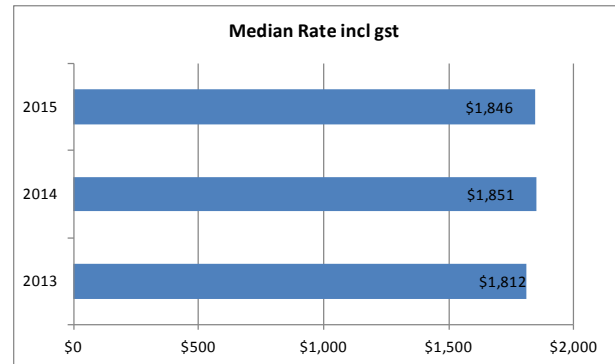
Rates collection

The Council's Rates Team work hard to ensure all rates are collected and accounted for. As in previous years, the Council has achieved an excellent collection record, collecting 99 per cent of rates and 81 per cent of rate arrears.



Residential median rate

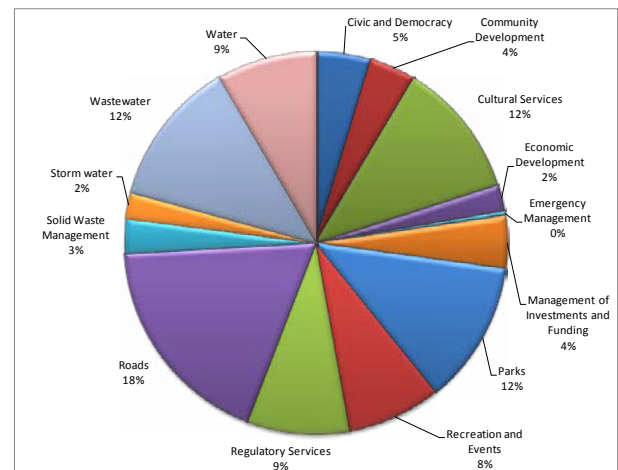
The median rate decreased by 0.5 per cent during the year.



Expenditure - what we spent

The Council maintained good control of its operating expenditure throughout the year. Operating expenditure of \$128.3m was in line with budget. Variations within activities are explained in the Council activity pages.

The graph shows where the money was spent by activity. It excludes the PIF and other costs.



Financial Summary



Financial Position

The Council's total net worth at the end of the financial year was \$2.18 billion.

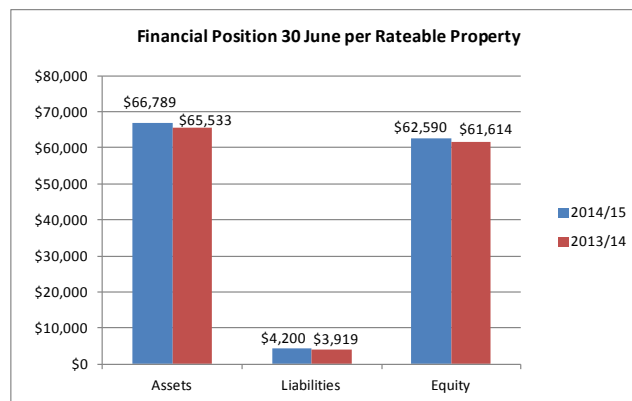
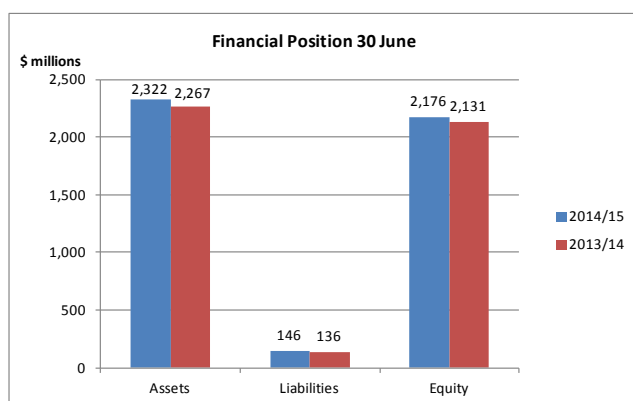
The Summary Statement of Financial Position shows what we own (our assets), what we owe (our liabilities) and our net worth (represented by net assets).

	Council			Group	
	2014/15 Actual (\$m)	2014/15 Budget (\$m)	2013/14 Actual (\$m)	2014/15 Actual (\$m)	2013/14 Actual (\$m)
Current assets	232	34	58	328	76
Non-current assets	2,090	2,258	2,209	2,090	2,313
Total assets	2,322	2,292	2,267	2,418	2,389
Current liabilities	72	58	57	168	137
Non-current liabilities	74	98	78	74	118
Total liabilities	146	156	136	242	255
TOTAL EQUITY/NET ASSETS	2,176	2,136	2,131	2,176	2,134

Current assets are higher than budget due to the investment in Tasmanian Land Company Limited being classified as held for sale at 30 June 2015. The Council also has a higher closing cash and cash equivalents position than budgeted due to timing of capital expenditure and the mix of short term deposits being higher than budgeted.

Non-current assets are lower than budgeted due to the investment in Tasman Farms Limited being classified as current. The investment was budgeted as a non-current asset.

Non-current liabilities are lower than budget as borrowings are lower due to the timing of our capital expenditure programme.



Financial Summary



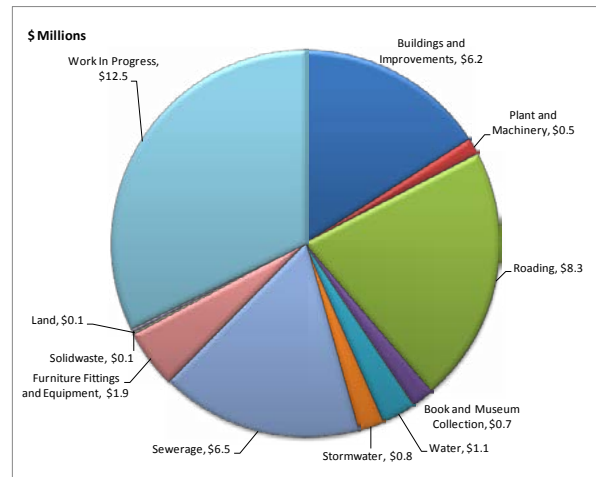
Our assets - what we own

Our major assets include:

- Property, plant and equipment (including roads, land, buildings, drainage, waste and water assets) \$1,990m.
- PIF of \$253m.
- Other assets \$79m.

During the year the Council added \$38.6m of new assets through its renewal and capital works programme. This covered all activities within our district (e.g. roads, stormwater pipes, plant and equipment etc). The most significant completed additions were to roads where \$8.3m was spent and sewerage treatment and reticulation with additions of \$6.5m.

The graph to the right shows the breakdown of capital expenditure by category.



Our liabilities - what we owe

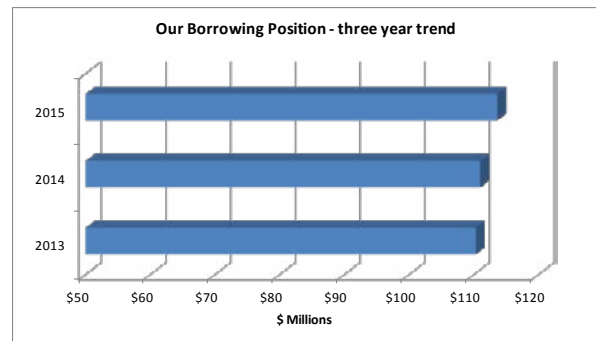
The major component of our liabilities include:

- Borrowing \$113.7m.
- Trade and other payables \$23.9m.
- Other liabilities \$8.6m.

The Council's external borrowings have remained relatively stable over the last year with no significant requirement for further borrowing. Borrowing is less than budget due to the timing of a number of projects, in particular the growth related projects in both Bell Block residential zone (Area Q) and Bell Block industrial zone (Area N).

The Council borrows to fund the purchase or construction of new long-life assets (assets with a life greater than 10 years) that are approved through the long-term plan process.

The Council has hedged itself against the unexpected increases in interest rates by ensuring that a large portion of the debt is at fixed interest rates. The table below shows the amount of borrowing hedged against changes in interest rates by maturity.



Interest Rate Risk Control Limits (interest rate exposure)	Policy Limit	Actual	Compliance
1-3 year bucket	20%-60%	20%	Yes
3-5 year bucket	20%-60%	27%	Yes
5-10 year bucket	15%-60%	53%	Yes

Financial Summary



The Council manages its liquidity risk by spreading the maturity of debt by ensuring we have unused facilities available to fund future spending and by ensuring the maturity of our borrowings is well spread. There are \$32m of unused facilities available at 30 June 2015 to cover future spending requirements and ensure the Council has adequate access to funds at all times. The table below shows the maturity profile of our total facilities.

Liquidity/Funding Risk (access to funds)	Policy Limit	Actual	Compliance
Liquidity/funding risk (access to funds)	> 110%	142%	Yes
0-3 year bucket	20%-60%	42%	Yes
3-5 year bucket	20%-60%	32%	Yes
5-10 year bucket	10%-60%	25%	Yes

Equity

The Summary Statement of Changes in Equity shows what the community owns minus what the community owes.

Equity is represented by the Council's net worth, that is 'what we own' (total assets of \$2,322.3m) minus 'what we owe' (total liabilities of \$146.2m). Equity as at 30 June 2015 was \$2,176.1m.

	Council			Group	
	2014/15 Actual (\$000)	2014/15 Budget (\$000)	2013/14 Actual (\$000)	2014/15 Actual (\$000)	2013/14 Actual (\$000)
Equity at the beginning of the year	2,131,287	2,125,540	2,115,687	2,133,843	2,118,048
Net surplus/(deficit) for the year from continued operations	44,976	10,350	12,780	8,018	15,732
Net surplus/(deficit) for the year from discontinued operations	-	-	-	2,999	8,106
Other comprehensive revenue and expense	(193)	-	2,820	31,200	(8,043)
Other movements	-	-	-	393	-
EQUITY AT THE END OF THE YEAR	2,176,070	2,135,890	2,131,287	2,176,453	2,133,843
<i>Comprising:</i>					
Special funds/reserves	80,356	56,850	80,297	80,412	80,587
Retained earnings	1,497,700	1,475,970	1,452,783	1,398,691	1,382,776
Minority interest	-	-	-	-	1,940
Currency fluctuation reserve	-	-	-	(14,941)	(14,406)
Asset revaluation reserve	598,014	603,070	598,207	712,291	682,946
Equity at the end of the year	2,176,070	2,135,890	2,131,287	2,176,453	2,133,843

Financial Summary



Cash Flows

The Summary Statement of Cash Flows shows how the Council and Group generated and used cash during the year.

	Council			Group	
	2014/15 Actual (\$000)	2014/15 Budget (\$000)	2013/14 Actual (\$000)	2014/15 Actual (\$000)	2013/14 Actual (\$000)
Net cash flows from operating activities	36,544	37,310	24,112	38,581	27,443
Net cash flows from investing activities	(29,447)	(42,220)	(31,509)	(29,137)	(31,667)
Net cash flows from financing activities	2,696	6,030	600	660	(2,261)
Net increase/(decrease) in cash and cash equivalent	9,793	1,120	(6,797)	10,104	(6,485)

Our operating activities generate cash inflows and the primary source is from rates and user charges. The net cash inflows from these activities together with borrowings (financing activities) are used to purchase and develop assets around the district (investing activities).

Benchmarking

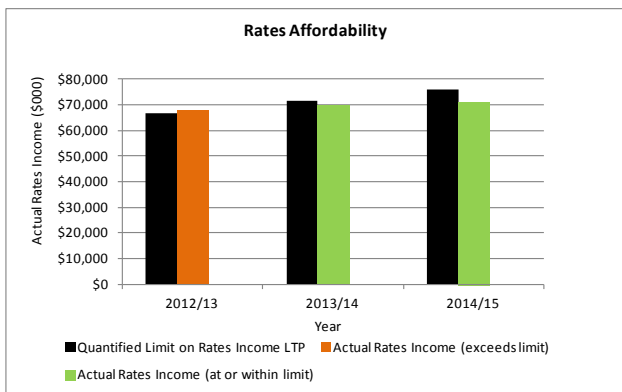


The purpose of this benchmarking is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

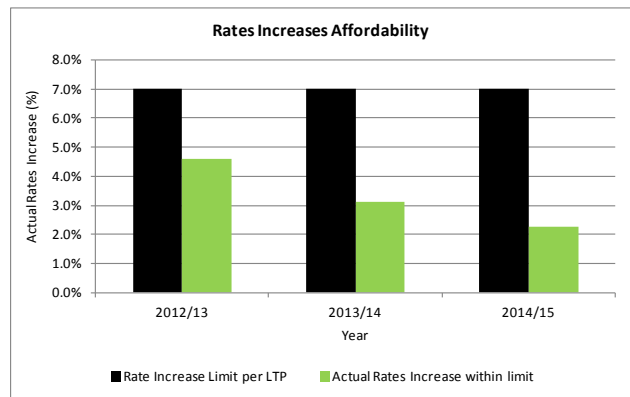
The following graph compares the Council's actual rates income in actual dollars, compared to the quantified limit on rates contained in the Financial Strategy included in the Council's LTP. As is evident actual dollars 2012/13 were marginally higher, primarily due to efficient collection.

In 2013/14 the rate dollars are below the LTP which is a significant achievement as the dividend release from the PIF reduced from \$18.3m (budget) to \$10.4m (budget), thus reducing a strong revenue stream for the Council and placing a greater reliance on rates.

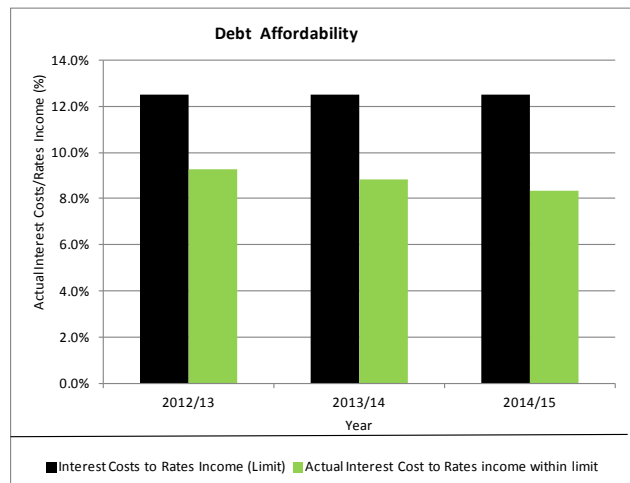
In 2014/15 actual rates are also below the LTP. This is due to ongoing Council efficiencies, thus rate requirements have reduced from what was originally forecasted in the LTP 2012-2022.



The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the Financial Strategy included in the Council's LTP. The quantified limit is a maximum increase in any one year of 7.0 per cent. The average for the last three years has been 3.3 per cent.



The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the Financial Strategy included in the Council's LTP. The quantified limit per the LTP was a maximum external debt level where interest costs are no more than 12.5 per cent of rates income. Currently the ratio is 8.3 per cent.

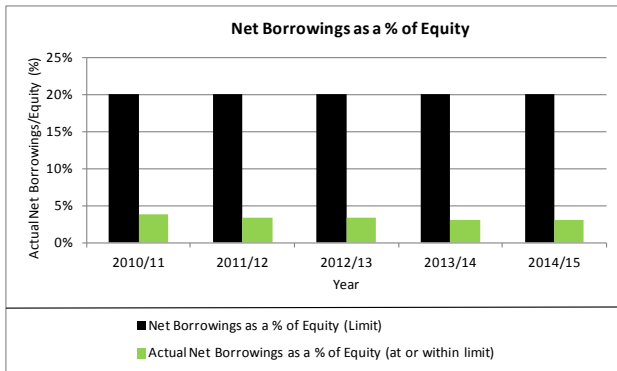


Benchmarking

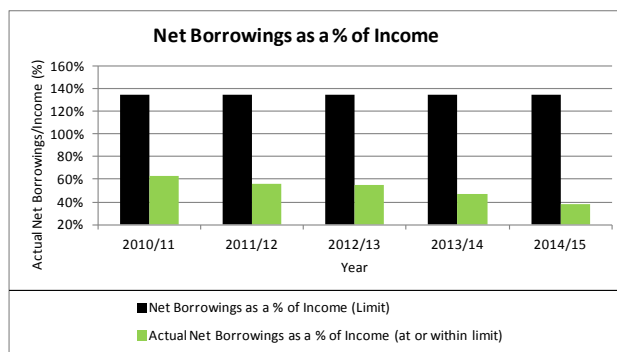


The Council's Treasury Management Policy outlines various limits to which borrowings must be managed within. The following graphs illustrate each of the borrowing limits and the Council's actual performance for the past five years.

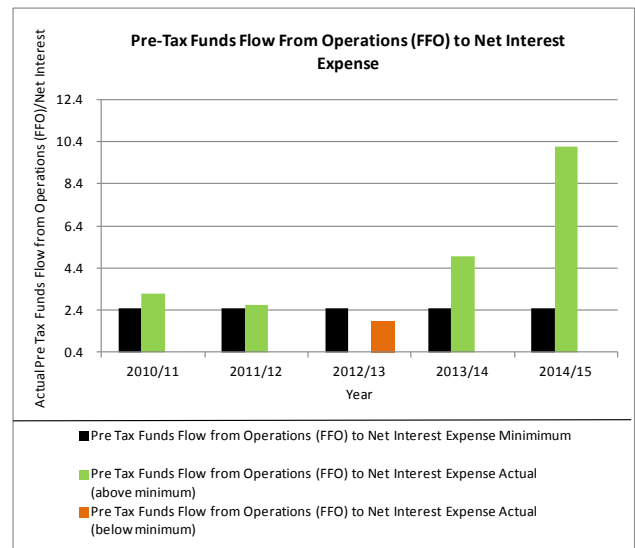
The graph below shows the Council's net external borrowings as a percentage of equity. Net external borrowings is calculated as total external borrowings less any cash or near cash treasury investments held from time to time. The Council is consistently well within the 20 per cent limit of net external debt to equity.



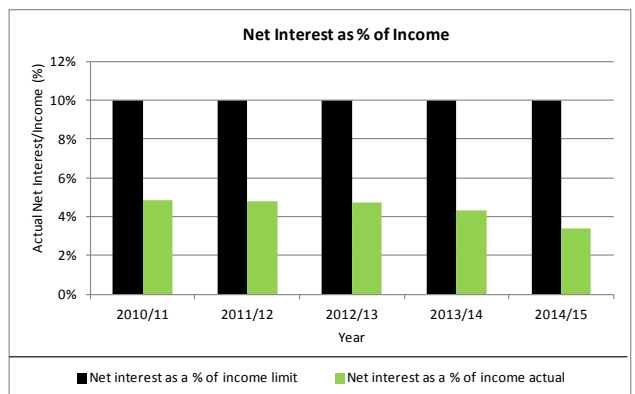
The graph below shows the Council's net external borrowings as a percentage of income. Net external borrowings is calculated as total external borrowings less any cash or near cash treasury investments held from time to time. Total operating revenue has been used as the income figure in this calculation. The Council is consistently well within the below the 135 per cent limit of net external debt to income.



The graph below shows the Council's ratio of Pre-tax Funds Flow from Operations (FFO) compared to net interest expense. Pre-tax funds flow is calculated as total revenue, less capital receipts and other non recurring revenues; less total expenditure net of any capital payments and non recurring expenditure; plus depreciation and increase in provisions.



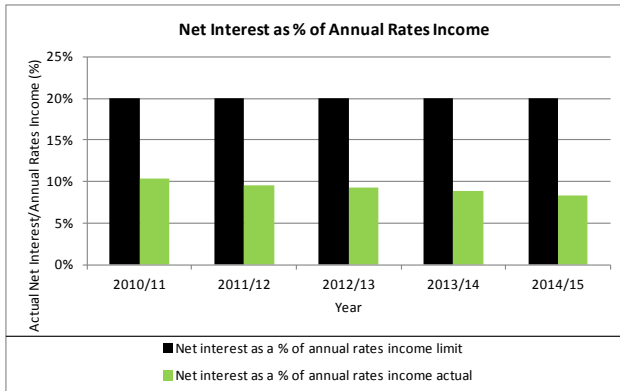
The graph below shows the Council's net interest expense as a percentage of total income. The Council is consistently within the 10 per cent limit of this measure.



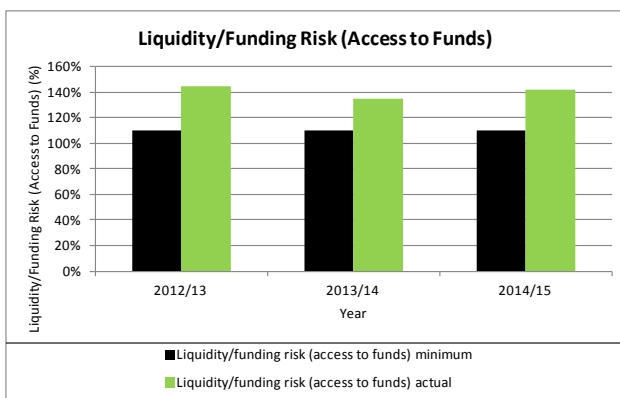
Benchmarking



The graph below shows the Council's net interest expense as a percentage of total rates income. Council is consistently within the 10 per cent limit of this measure.

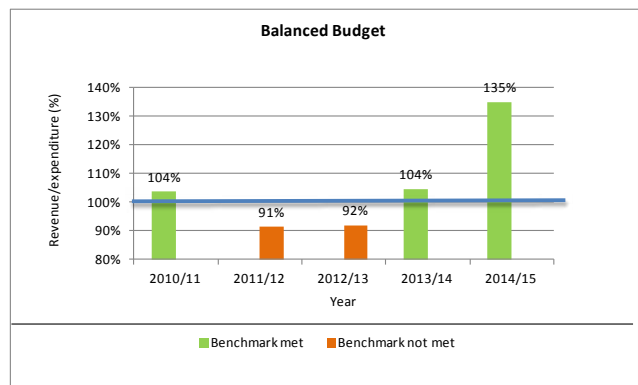


The graph below shows the Council's liquidity (term debt plus committed loan facilities plus cash or cash equivalents) over existing external debt. This measure only commenced in the 2012/13 year hence only three years of comparative information. The Council is consistently greater than the minimum level of liquidity.

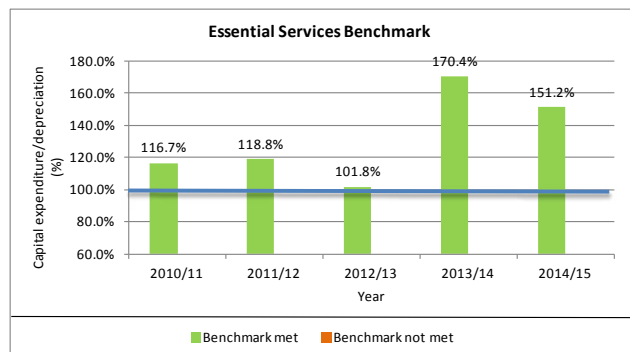


The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative instruments and revaluations of property, plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment).

The Council meets this benchmark if its revenue equals or is greater than its operating expenses. The primary reason for the benchmark not being met was the under-performance of the PIF during 2011/12 and 2012/13 relative to long-term targets with deficits of \$4.5m and \$4.6m respectively.



The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

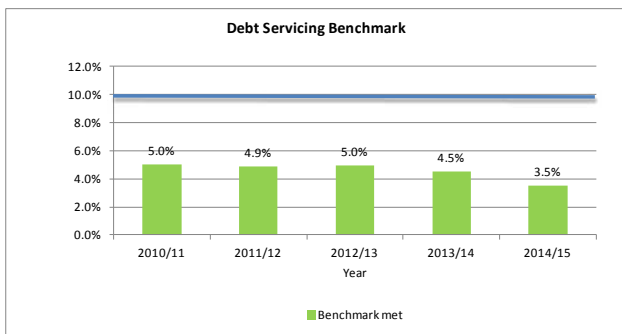


Benchmarking

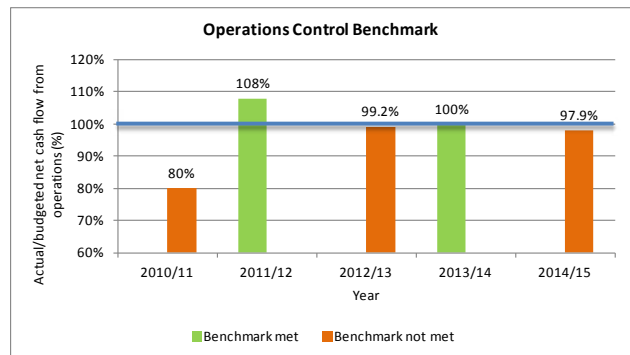


The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative instruments and revaluations of property, plant or equipment).

Because Statistics New Zealand projects the Council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

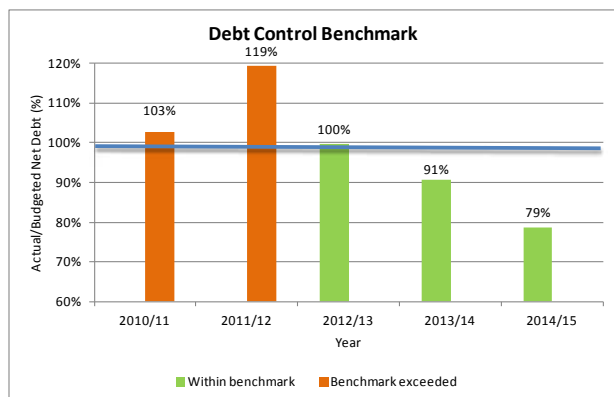


The following graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations. On the occasions where the benchmark was not met this was primarily due to fluctuations in investment income.



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

The benchmark was not met between 2009/10 and 2011/12 due to a reduction in the PIF balance.



Community Outcomes



The Community Outcomes were identified by the people of Taranaki through an extensive survey and questionnaire process. The Community Outcomes are intended to reflect what is important to members of the community. What follows are the seven Community Outcomes identified by the community. They are supported by a vision which states what the Community Outcomes mean in broad terms, and each in turn are supported by a number of statements which articulate in greater detail what the outcomes mean in practical terms.

Connected

A district that delivers accessible and integrated infrastructure, transport and communication systems which meet the needs of residents, businesses and visitors.

This means:

- Effective, efficient, safe and reliable infrastructure.
- High-quality communication systems, information technologies and distribution networks.
- A safe and responsive land transport system.
- Providing for the region's state highways and maintaining and enhancing local roading networks.
- Maintaining and enhancing the capabilities of Port Taranaki and the region's airport and rail network.
- A reliable, safe and accessible public transport system.

Prosperous

A district that boasts a sustainable, resilient and innovative economy that prospers within the natural and social environment.

This means:

- Taranaki is an attractive place to work, do business and to visit.
- The region will be a birthplace of innovation and ideas.
- Recognising and encouraging Taranaki's strengths and diversification of agriculture, business and industry.
- A high level of employment and adequate incomes for all.
- Encouraging sustainable development and population growth.
- People who are confident and are happy to invest in the future.
- Supporting the place of Māori in the local economy.

Secure and Healthy

A district that provides a safe, healthy and friendly place to live, work or visit.

This means:

- Equality of access to high-quality health and disability services.
- Maintaining, enhancing, promoting and protecting the environmental, physical and mental health of the people of Taranaki.
- Promoting well-being in the region and encouraging people to take responsibility for their health.
- Adequate and affordable housing for all.
- Residents and visitors of all ages feel safe and crime is reduced.
- A sustainable management approach is taken to hazards and risks.
- Taranaki is a friendly and welcoming place.
- Local health statistics are monitored and acted upon.

Community Outcomes



Skilled

A district that values and supports learning so all people can play a full and active role in social, cultural and economic life.

This means:

- Learning and the creation of knowledge is valued.
- High-quality education and training opportunities exist with strong links between businesses, schools and training institutions.
- A wide range of innovative education, training and cultural opportunities are accessible to people of all ages.
- The workforce has the skills to meet the needs of the district's employers.
- Māori achievements in education are monitored and responded to.

Sustainable

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

This means:

- Resources are used sustainably, developed and protected.
- The district's land and soil, water, air and coast, its biodiversity and its natural features and landscapes are understood, valued, maintained and enhanced for future generations.
- Animal and plant pest and biosecurity risks in the region are appropriately managed.
- The district's heritage is identified, recognised and protected.
- Built environments and amenities are of a high standard and contribute significantly to the well-being of people and communities.
- People are valued and their contribution to the economic, cultural, environmental and social well-being of the region is recognised and supported.
- Sustainable development is encouraged.
- Kaitiakitanga (the protection and management of the environment) is understood and valued.

Together

A district that is caring, inclusive and works together and where people have a strong, distinctive sense of identity.

This means:

- All people feel valued and supported within a caring community.
- Strong relationships between people from different cultures, communities and organisations build a united community.
- Multi-ethnic diversity is celebrated and different cultural values are respected.
- The place of Māori is recognised and respected.
- People from all sectors of the community are able and encouraged to contribute to their communities.
- Cooperation, collaboration and coordination between agencies, organisations and councils occur to avoid duplication of resources, minimise red tape and promote a consistent focus.
- Taranaki people have a strong sense of place. The special significance of Mount Taranaki to the people of Taranaki and its role in Taranaki's identity is recognised and provided for.
- The Taranaki "brand" is recognised nationally and internationally.
- The Treaty of Waitangi is recognised and respected.

Community Outcomes



Vibrant

A district that provides high-quality and diverse cultural and recreational experiences and where independence and creativity are encouraged.

This means:

- People have access to, and are encouraged to participate in, a wide range of high-quality recreational, leisure, art and cultural activities.
- The district has high-quality public amenities and facilities.
- Individual responsibility, independence and creativity are encouraged.
- All people have access to local services and facilities.
- There is safe, convenient and affordable access to the natural environment and public access to the district's coastal marine area, lakes and rivers is maintained and where practical, enhanced.
- Support and celebrate all cultures.

During 2014, the Council developed a new strategic framework to guide decision-making, planning, policy and strategy development. The framework consists of the Shaping Our Future Together (SOFT) vision, outcomes and principles; and the New Plymouth District Blueprint. This strategic framework came into effect with the adoption of the Long-Term Plan 2015-2025.

Working Together - Maori Participation



Development of Māori capacity to participate in Council decision-making

The Local Government Act 2002 requires the Council to outline how it provides opportunities for Māori to participate in Council decision making.

The Council acknowledges the six iwi that are tangata whenua of the district:

- Ngāti Maniapoto.
- Ngāti Maru.
- Ngāti Mutunga.
- Ngāti Tama.
- Taranaki.
- Te Ātiawa.

As well as these six iwi, there are 11 recognised hapū within New Plymouth District:

- Hapū o Poutama.
- Manukorihi.
- Ngā Mahanga.
- Ngāti Tairi.
- Ngāti Rahiri.
- Ngāti Tawhirikura.
- Ngāti Te Whiti.
- Ngāti Tuparikino.
- Otaraua.
- Pukerangiora.
- Puketapu.

The Council engages with Māori throughout all of its day to day operations, but also has a number of commitments at a strategic level which support the development of Māori capacity to participate more fully and effectively in the decision-making processes of the Council.

In 2009, the Council adopted an internal Māori Capacity and Development Policy. The policy sets out:

- The responsibilities of the Council as a good employer.
- The development of knowledge and ability to be confident and proactive when engaging with Māori to meet the legislative responsibilities.
- The provision of culturally appropriate customer service and service delivery.
- That the agreements reached between iwi/hapū and Council as a result of Treaty of Waitangi settlements are recognised and understood.

Tangata whenua forum is an opportunity for any tangata whenua member to raise issues, gain information about and/or discuss any business involving the Council. The members of the forum are mandated members from hapū. The forum is a place to talk about tangata whenua issues and coordinate a consensus decision approach, prior to any issues being raised through the Council's decision-making process. It is also used to build capacity on Council and Resource Management Act processes. Council staff take the opportunity to discuss their projects, plans and strategies and forum members give direction and input into that work.

Te Kaumātua Kaunihera o ngā Whare Taonga o Puke Ariki was established in 2004. This committee is a group of kaumātua from around Taranaki who advise Puke Ariki on issues pertaining to Māori, the taonga Māori collection and tikanga. Te Kaumātua Kaunihera o ngā Whare Taonga o Puke Ariki is open to all kaumātua of Taranaki and meets monthly. In addition Puke Ariki consults with the appropriate Maori community when a decision is made regarding a particular taonga or group of taonga.

Working Together - Maori Participation



The Council's Significance and Engagement Policy sets out the duty of the Council to consult with tangata whenua on any issue that is likely to affect them, or matter where they have an interest. In addition to this policy the Council has developed a set of guidance notes for officers who are required to consult with tangata whenua Māori. As part of the Council's operations in 2014/15, consultation was undertaken in the following key (but not exclusive) areas: Long-Term Plan, District Plan, , Annual Plan, New Plymouth District Blueprint, Representation Review and the Airport Master Plan. Consultation on a regular basis in the areas of planning and subdivision processes, roading, heritage, walkways and reserves is ongoing.

Resources are made available to for marae insurance and to support the maintenance of marae through a Marae Grants Policy and a Heritage Protection Fund. A fund to assist iwi/hapū with professional assistance when dealing with Resource Management Act issues is also available on application.

Two iwi within New Plymouth District, Ngāti Tama and Ngāti Mutunga, have settled their Treaty of Waitangi claims with the Crown. Te Ātiawa have signed their Deed of Settlement with the Crown and are currently waiting for the legislation process to enact their settlement to be introduced into parliament. In addition, Council and Te Kotahitanga o Te Ātiawa Nui Tonu (the Post Settlement Governance Entity for Te Ātiawa) have developed a side agreement through a Memorandum of Understanding which will settle the issues of lands taken in Waitara. Taranaki iwi have recently signed their Deed of Settlement and are currently going through the ratification process. The settlement of both these iwi will impact on a number of Council processes and as a result we will have to review the way in which we undertake certain activities.

Council has developed a Master Plan for the upgrade of the New Plymouth airport. Council undertook consultation with Puketapu Hapū as part of the plans development. Puketapu Hapū are currently working with Council on the design detail of the airport upgrade and Council has resourced the hapū to ensure that they can effectively engage and provide their input to Council. The hapū have established their own design team to flesh out the detail of the stories that will be told within the upgrade and provide a visual display of their traditional, historical and cultural connection to the area. Council and hapū are also considering what other opportunities may arise as a result of the upgrade such as ongoing income generation through the retail spaces being provided.

The Council and iwi have undertaken a review of the Memorandum of Understanding (MOU) with Te Rūnanga and Ngāti Mutunga which has resulted in the identification of some mutual projects. Council has also begun the development of a joint MOU with Puketapu Hapū and Ngāti Tawhirikura hapū which will identify how they will work together in a meaningful way. The rohe of these two hapū who neighbour each other, is an area of high development within the district and therefore the MOU will be an important document to ensure good relationships are maintained.

In September 2014 Council approved the establishment of a Māori Ward for the New Plymouth District to be implemented for the 2016 local body elections. Council also held two forums to provide an opportunity for discussion and debate on the issue. In early 2015 Council received a petition signed by over five per cent of the population which demanded a poll on the establishment of a Māori Ward. The poll was held in and the result was 17 per cent in favour of a ward system and 83 per cent against. Therefore a Māori Ward will not be established in the district. The Council are in ongoing discussions with iwi leaders to find solutions for their participation in decision making.

Audit Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of New Plymouth District Council and group's annual report for the year ended 30 June 2015

The Auditor General is the auditor of New Plymouth District Council (the District Council) and group. The Auditor General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council and group that comprise:
 - the statement of financial position as at 30 June 2015 on page 102 to 103;
 - the statement of comprehensive revenue and expense on page 101, statement of changes in equity and statement of cash flows for the year ending 30 June 2015 on pages 104 to 106;
 - the funding impact statement of the District Council on page 107 to 108;
 - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 32 to 97; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 109 to 166;
- the statement of service provision (referred to as Council Activities) of the District Council on pages 32 to 97 and the funding impact statements in relation to each group of activities of the District Council on pages 32 to 97; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 20 to 23.

In addition, the Auditor General has appointed me to report on whether the District Council and group's annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - internal borrowing on page 94;
 - council controlled organisations on pages 168 to 177;
 - reserve funds on page 140 to 143;
 - each group of activities carried out by the District Council on pages 32 to 97;
 - remuneration paid to the elected members and certain employees of the District Council on page 149;
 - employee staffing levels and remuneration on page 150;
 - severance payments on page 150;
 - rating base units on page 123; and
 - insurance of assets on page 165;
- a report on the activities undertaken by the District Council and group to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision making processes on page 27 to 28; and
- a statement of compliance signed by the mayor of the Council, and by the District Council and group's chief executive on page 100.

Opinion

Audited information

In our opinion:

- the financial statements of the District Council and group on pages 101 to 166:
 - present fairly, in all material respects:
 - : the District Council and group's financial position as at 30 June 2015;
 - : the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand.
- the funding impact statement of the District Council on page 107 to 108, present fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 32 to 97, present fairly, in all material respects, by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long term plan or annual plan.
- the Council Activities of the District Council on pages 32 to 97:
 - presents fairly, in all material respects, the District Council's levels of service for the year ended 30 June 2015, including:
 - : the levels of service as measured against the intended levels of service adopted in the long term plan;
 - : the reasons for any significant variances between the actual service and the expected service; and
 - complies with generally accepted accounting practice in New Zealand.
- the funding impact statements in relation to each group of activities of the District Council on pages 32 to 92, present fairly, in all material respects, by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long term plan.
- the disclosures on pages 20 to 23 represent a complete list of required disclosures and accurately reflects the information drawn from District Council's audited information.

Compliance with the other requirements of schedule 10

The District Council and group's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 28 October 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

Audit Report



Basis of opinion

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and Council Activities. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council and group's preparation of the information we audited in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council and group's internal control.

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 the Council;
- the adequacy of the disclosures in the information we audited;
- determining the appropriateness of the reported Council Activities within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and Council Activities that:
 - comply with generally accepted accounting practice in New Zealand;
 - present fairly the District Council and group's financial position, financial performance and cash flows;
 - present fairly its service performance, including achievements compared to forecast;
 - a funding impact statement that presents fairly the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- funding impact statements in relation to each group of activities that presents fairly by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that presents fairly by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long term plan or annual plan;
- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council's responsibilities arise under the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the information we are required to audit, and whether the Council has complied with the Other Requirements of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001.

Independence

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the Other Requirements, the audit of the District Council's 2015 25 Long Term Plan and an independent assurance review of the District Council's Debenture Trust Deed, we have no relationship with or interests in the District Council or any of its subsidiaries.

Clint Ramoo, Audit New Zealand
On behalf of the Auditor General, Wellington, New Zealand



Neon accumulation (1968) Billy Apple. Collection Govett-Brewster Art Gallery.

Section 2 Council Activities

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Introduction to Council Activities



The Council is responsible for providing a wide range of services to the community. It delivers these services through 16 Council activities.

This section outlines these activities and includes information so that the community can see how we plan, manage, deliver, monitor performance and fund each Council activity. The 16 Council activities are:

- Parks.
- Roads and Footpaths.
- Stormwater Drainage.
- Flood Protection and Control Works.
- Solid Waste and Refuse Collection.
- Water Supply.
- Wastewater Treatment.
- Emergency Management and Business Continuance.
- Community Development.
- Govett-Brewster Art Gallery.
- Puke Ariki and District Libraries.
- Recreation and Events.
- Regulatory Services.
- Economic Development.
- Civic and Democracy Services.
- Management of Investments and Funding.

Communitrak™ Survey

The Council also carries out a number of internal functions, such as financial management and property maintenance, but the costs of these are respread over the 16 activities above. This is because services such as financial management are 'inputs' into the Council activities whereas the Council activities themselves are services actually received and used by the community.

The National Research Bureau 'Communitrak' Survey is a survey carried out by approximately 30 local authorities throughout New Zealand. It is a means for local authorities to measure the satisfaction of their residents with the services the local authority provides. New Plymouth District Council has been conducting this survey since 1994.

The survey is carried out asking many of the same questions in each local authority. A random sample of 400 people based on the five community areas was used for New Plymouth District. The survey is conducted in a way that provides results which have a margin of error of plus or minus five per cent given a 95 per cent level of confidence. This means that if 100 samples were taken, we would expect the margin error to contain the true value in all but five samples. The satisfaction levels indicated include the removal of those people who did not have a view on satisfaction or dissatisfaction or simply did not know due to not using the facility or service. Removing the "don't knows" from the calculation enables better comparison between our activities, allowing for more informed Council decision-making. However, we have also included the satisfaction measure including "don't knows" for transparency.

Adjusted Budgets

Adjusted budgets are the budget figures approved by the Council at the beginning of the year in the Annual Plan 2014/15 adjusted for items carried forward to the next financial year as approved by the Council.

Introduction to Council Activities



How Council services contribute to Community Outcomes

See the Introduction section for more detailed information on the Community Outcomes. The table below identifies the Community Outcomes to which each Council activity primarily contributes.

Council Services	Community Outcomes						
	Connected	Prosperous	Secure and Healthy	Skilled	Sustainable	Together	Vibrant
Parks		✓	✓		✓		✓
Roads and Footpaths	✓	✓					
Stormwater Drainage	✓	✓	✓		✓		
Flood Protection and Control Works	✓	✓	✓		✓		
Solid Waste and Refuse Collection	✓	✓	✓		✓		
Water Supply	✓	✓	✓		✓		
Wastewater Treatment (also known as sewerage and the treatment and disposal of sewage)	✓	✓	✓		✓		
Emergency Management and Business Continuance	✓	✓	✓			✓	
Community Development		✓	✓	✓	✓	✓	✓
Govett-Brewster Art Gallery		✓		✓	✓	✓	✓
Puke Ariki and District Libraries	✓	✓		✓	✓	✓	✓
Recreation and Events		✓	✓			✓	✓
Regulatory Services	✓	✓	✓	✓	✓	✓	✓
Economic Development		✓					
Civic and Democracy Services						✓	
Management of Investments and Funding		✓					

Parks



Responsibility

Manager Parks

What we deliver

The Council's Parks service provides a group of services which plans, manages and maintains 1,440ha of park and reserve land, 71km of walkways, 12.7km of coastal walkway, 48 playgrounds, eight skate park facilities and 24 sports parks for use by residents and visitors. This service also manages 14 community halls, six camping grounds, 53 public toilets, 10 operational cemeteries, a regional crematorium, Brooklands Zoo, plus public art and monuments.

Why we do it

To provide access to a range of facilities and open spaces to meet the aspirations, needs and demands of the community for physical activity, leisure, recreation or simply for the enjoyment of their intrinsic value. We are stewards for natural environments, including wetlands and bush areas which are protected through reserves and covenants.

The Parks service makes a vital contribution to the New Plymouth District's economy. The motor camps together with the leisure and sports parks attract local residents and visitors, playing an important part in supporting visitation to New Plymouth District. The beautification and maintenance of the district's streetscapes provide attractive locations for business in the central city and business areas, positive experiences for visitors, and add to the quality of life for local residents.

The cultural and social well-being of residents and community groups are supported through the provision and maintenance of community halls.

The Parks service adds to the art and cultural value of the district through the installation and care of public art works, monuments and heritage sites.

Significant challenges during the year

- Delivering projects within timeframes subject to seasonal weather.
- Providing support to the Events Team for the additional projects that occurred.

Major projects

For any significant capital projects relevant to Parks, refer to Note 40.



Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Maintain the quality of the district's parks, reserves and open spaces.	Percentage of community satisfied with the quality of the district's parks and reserves (NRB survey).	95%	Achieved 97% (96% including don't know responses).	Achieved 97% (96% including don't know responses).
	Percentage of community satisfied with the quality of the district's urban landscapes and streets (NRB survey).	95%	Achieved 95% (94% including don't know responses).	Not achieved 92% (91% including don't know responses).
	Percentage of community satisfied with the quality of the district's sports parks (NRB survey).	95%	Achieved 95% (81% including don't know responses).	Achieved 97% (83% including don't know responses).
	Percentage of community satisfied with the quality of the district's playgrounds (NRB survey).	95%	Not achieved 94% (82% including don't know responses).	Not achieved 94% (78% including don't know responses).
	Percentage of visitors satisfied with the quality of the Brooklands Zoo.	90%	Achieved 99% from user satisfaction survey.	Achieved 100% from user satisfaction survey.
Maintain access to the natural environment, including rivers, lakes, the mountain and the coast.	Percentage of community satisfied with access to the natural environment (NRB survey).	95%	Achieved 98% (95% including don't know responses).	Achieved 98% (95% including don't know responses).
	Percentage of population living within 400 metres of a public park or reserve.	82%	Achieved 88%	Achieved 88%
Maintain the quality of the district's public toilets.	Percentage of community satisfied with the quality of the district's public toilets (NRB survey).	70%	Achieved 82% (68% including don't know responses).	Achieved 83% (71% including don't know responses).
Provide opportunity for community participation in caring for, and engagement with, the district environment e.g. Friends of Pukekura Park, Arbor Day etc.	Number of volunteer hours per year.	7,500 hours	Achieved 12,204 hours.	Achieved 8,453 hours.
Major projects are completed on time and within budget.	Major projects are completed on time.	Annual work programme achieved	Achieved Annual work programme achieved.	Achieved Annual work programme achieved.
	Major projects are completed within budget.	Annual work programme achieved within budget	Achieved Annual work programme achieved within budget.	Achieved Annual work programme achieved within budget.

Parks



Cost of Service Statement for the year ended 30 June 2015

The table below provides, in a standard accounting format, what the Parks activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2014/15 (\$000)	Adj Budget 2014/15 (\$000)	Budget 2014/15 (\$000)	Actual 2013/14 (\$000)
Activity expenditure				
Premier parks and foreshore	4,174	4,770	4,640	3,936
Parks and streetscapes	7,477	7,994	7,995	8,720
Cemeteries and crematorium	1,312	1,453	1,453	1,249
Sportsfields, playgrounds, motorcamps and public halls	1,772	1,647	1,647	1,573
Total activity expenditure¹	14,735	15,864	15,735	15,478
Activity revenue				
Premier parks and foreshore	610	583	583	611
Parks and streetscapes	438	137	137	378
Cemeteries and crematorium	1,039	870	870	801
Sportsfields, playgrounds, motorcamps and public halls	330	291	291	298
Total activity revenue²	2,417	1,881	1,881	2,088
Net cost of operations	12,318	13,983	13,854	13,390
Capital Expenditure				
Renewals ³	1,351	2,477	2,218	2,539
Service level improvements ⁴	597	764	596	1,175
Growth ⁵	327	1,508	1,210	261
Total capital expenditure	2,275	4,749	4,024	3,975

Budget variations

- ¹ Expenditures are under budget due to vacancy management during year. Rentals for land we lease were less than budgeted.
- ² Cemetery and Crematorium activity greater than anticipated. Change in accounting practice means work we do for others (i.e. airport) is now treated as revenue. More revenue than budgeted from commercial activities.
- ³ Substantial renewals in Pukekura Park (retaining work and track improvements) not completed by year end due to weather so some carry forward. Some renewals budgeted were identified as not required.
- ⁴ Works at Waitara river walk have been adjusted to fit with Taranaki Regional Council's work on stop banks, therefore some carry forward.
- ⁵ Growth did not occur as anticipated and budgets have been re-set in Long-Term Plan 2015-2025. Contracts for construction of the new Cemetery works have been let but not are yet complete.



Funding Impact Statement for the year ended 30 June 2015

	Actual 2014/15 (\$000)	LTP 2014/15 (\$000)	LTP 2013/14 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	11,040	13,494	12,754
Targeted rates	-	-	-
Subsidies and grants for operating purposes	30	7	7
Fees and charges	2,384	3,006	2,992
Internal charges and overheads recovered	33	546	529
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	13,487	17,053	16,282
Applications of operating funding			
Payments to staff and suppliers	(7,901)	(9,920)	(9,545)
Finance costs	(596)	(953)	(826)
Internal charges and overheads applied	(3,970)	(4,347)	(4,197)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(12,467)	(15,220)	(14,568)
Surplus (deficit) of operating funding (A - B)	1,020	1,833	1,714
Sources of capital funding			
Subsidies and grants for capital expenditure	5	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	592	1,502	1,378
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	597	1,502	1,378
Application of capital funding			
Capital expenditure			
- to meet additional demand	(327)	(416)	(337)
- to improve the level of service	(597)	(1,141)	(1,095)
- to replace existing assets	(1,351)	(2,766)	(2,084)
Increase (decrease) in reserves	658	988	424
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(1,617)	(3,335)	(3,092)
Surplus (deficit) of capital funding (C - D)	(1,020)	(1,833)	(1,714)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 5(4), Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense

Depreciation expense	2,303	2,586	2,443
Less deferred/unfunded	(1,283)	(753)	(729)
Net funding transferred to renewals reserves	1,020	1,833	1,714

Roads and Footpaths



Responsibility

Manager Roothing Assets

What we deliver

The Council's Roothing and Footpaths service provides a group of activities which maintains, renews and develops roads, kerbs and channels, bridges, street lighting, footpaths and traffic management for all roads (except state highways) in the district. This service covers 1,278.6km of roads, 260 bridges, 8,039 street lights, 10,908 traffic signs and five tunnels.

Why we do it

To enable the effective, efficient and safe movement of people, goods and services around the district.

The Roothing and Footpaths service is also an essential part of sustainable development which enhances the natural and built environments, supports economic development and enriches the cultural and social life of New Plymouth District communities.

Significant challenges during the year

- Maintaining levels of service with the continued flat-lining of most roading budgets. This has been caused by flat-lining of NZTA's contribution.
- The occurrence of a major rainfall event on 20 and 21 June 2015 that caused significant damage to the roading network. This resulted in a significant clean-up cost and is likely to impact on budgets for the next two years.
- The preparation of an achievable Transition Plan for the application of the One Network Road Classification system to the management of the roading network, to be fully embedded within the next three year period.
- Ensuring that the continuation of the significant Ultra Fast Broadband rollout in urban areas was managed in a timely and appropriate manner under the Corridor Access Request System.

Major projects

For any significant capital projects relevant to Roads and Footpaths, refer to Note 40.

Roads and Footpaths



Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Provide a quality footpath network that is safe for users.	Percentage of community satisfied with the quality and safety of the district's footpaths (NRB survey).	84%	Achieved (target 83%) 83% (78% including don't know responses).	Achieved 85% (82% including don't know responses).
Provide a quality cycle network that is safe for users.	Percentage of community (including cyclists) satisfied with the quality and safety of the district's cycle network (NRB survey).	85%	Not achieved (target 84%) 81% (66% including don't know responses).	Achieved 87% (69% including don't know responses).
Provide a quality local roading network that is efficient and safe for users.	Percentage of community satisfied with the ability to drive around the district quickly, easily and safely (NRB survey).	90%	Not achieved 86% (83% including don't know responses). Results strongly influenced again by performance of state highways.	Not achieved 89% (87% including don't know responses). Results influenced by performance of state highways.
	The percentage of crashes with road-related factors on the Council's roads.	10%	Not achieved 11%. Data from CAS for period 1 June 2013 to 31 May 2014.	Achieved 9%.
	Percentage of community satisfied with the district's quality of roads overall (NRB survey).	85%	Achieved 86% (84% including don't know responses).	Achieved 89% (89% including don't know responses).
Provide a quality local roading network that is smooth to travel on.	Average smoothness of the district's roading network as measured by New Zealand Transport Agency's smoothness standards.	88%	Achieved 90%	Achieved 90%
Respond to requests within an acceptable timeframe.	Percentage contractor compliance with target response times for maintenance and customer requests.	95%	Achieved 99%	Achieved 99%

Roads and Footpaths



Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Major projects are completed on time and within budget.	Major projects are completed on time.	Annual work programme achieved	2 Achieved - land purchase and subdivision contribution.	Part achieved - Let's Go Project. Design and implementation delays for some infrastructure improvements.
	Major projects are completed within budget.	Annual work programme achieved within budget	1 Part achieved - Let's Go Project. Design delays for infrastructure improvements. 1 Not achieved - Bell Block Bypass Road improvements. Dependent on commercial development by others.	Achieved - land purchase for road widening. Part achieved - subdivision contributions. Significant component was related to growth Area Q (Bell Block) and did not proceed as anticipated as it was dependent on commercial activity by others. Part achieved - Bell Block Bypass associated roading improvements. Remainder dependent on commercial development by others.

Roads and Footpaths



Cost of Service Statement for the year ended 30 June 2015

The table below provides, in a standard accounting format, what the Roads and Footpaths activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2014/15 (\$000)	Adj Budget 2014/15 (\$000)	Budget 2014/15 (\$000)	Actual 2013/14 (\$000)
Activity expenditure	22,281	22,048	22,048	23,800
Activity revenue ¹	9,670	10,253	10,253	10,673
Net cost of operations	12,611	11,795	11,795	13,127
Capital Expenditure				
Renewals	8,210	8,529	8,353	8,932
Service level improvements ²	2,391	4,233	3,308	2,830
Growth ³	404	1,696	494	419
Total capital expenditure	11,005	14,458	12,155	12,181

Budget variations

- ¹ Timing of 2014 NZTA expenditure resulted in a reduction in NZTA revenue for 2015.
- ² Subdivision contributions relating to Area Q (Bell Block) did not eventuate as this timing is developer led. Also the Marfell project (Housing NZ) has been discontinued, therefore \$325,000 has remained unspent. In addition, delays in Let's Go infrastructure improvements due to design and implementation issues.
- ³ One seal widening contract was held up by wet weather after award. The Bell Block Bypass associated roading improvements are heavily dependent on commercial property development by others. This development did not proceed at the pace anticipated.

Roads and Footpaths



Funding Impact Statement for the year ended 30 June 2015

	Actual 2014/15 (\$000)	LTP 2014/15 (\$000)	LTP 2013/14 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	8,657	10,507	10,040
Targeted rates	3,513	3,320	3,314
Subsidies and grants for operating purposes	3,764	3,983	3,948
Fees and charges	424	(228)	(190)
Internal charges and overheads recovered	39	22	21
Local authorities fuel tax, fines, infringement fees, and other receipts	542	500	500
Total operating funding (A)	16,939	18,104	17,633
Applications of operating funding			
Payments to staff and suppliers	(8,202)	(8,840)	(8,731)
Finance costs	(1,619)	(2,852)	(2,716)
Internal charges and overheads applied	(1,317)	(1,152)	(1,113)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(11,138)	(12,844)	(12,560)
Surplus (deficit) of operating funding (A - B)	5,801	5,260	5,073
Sources of capital funding			
Subsidies and grants for capital expenditure	4,941	5,853	5,446
Development and financial contributions	-	-	-
Increase (decrease) in debt	1,101	1,525	1,249
Gross proceeds from sale of assets	2	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	6,044	7,378	6,695
Application of capital funding			
Capital expenditure			
- to meet additional demand	(404)	(496)	(486)
- to improve the level of service	(2,391)	(3,336)	(2,658)
- to replace existing assets	(8,210)	(8,202)	(8,173)
Increase (decrease) in reserves	(840)	(604)	(451)
Increase (decrease) of investments	-	0	-
Total applications of capital funding (D)	(11,845)	(12,638)	(11,768)
Surplus (deficit) of capital funding (C - D)	(5,801)	(5,260)	(5,073)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 5(4), Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense

Depreciation expense	10,358	11,142	10,735
Less deferred/unfunded	(5,358)	(5,653)	(5,440)
Net funding transferred to renewals reserves	5,000	5,489	5,295

Stormwater Drainage



Responsibility

Manager Water & Wastes

What we deliver

New Plymouth District Council collects, manages and disposes of stormwater run-off from around 6,600 hectares of urban area covering New Plymouth, Bell Block, Waitara, Inglewood, Urenui, Onaero, Lepperton, Egmont Village, Ōākura and Okato. This includes the operation and maintenance of engineered wetlands and 288km of stormwater pipes.

Why we do it

To protect people and property from the effects of stormwater run-off and localised flooding.

Significant challenges during the year

Major storm event on 20 and 21 June 2015. Although some parts of the network were overloaded, our infrastructure performed well avoiding widespread damage.

Major projects

For any significant capital projects relevant to Stormwater Drainage, refer to Note 40.

Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Provide a reliable stormwater system.	Percentage contractor compliance with target response times for maintenance and other customer requests.	97%	Achieved 97.5%	Not achieved 96.1% (98.3% of urgent jobs completed on time)
Operate the stormwater activity in a manner that protects public health and the environment.	Percentage compliance with resource consents for stormwater network operation.	100%	Achieved No non-compliances recorded.	Achieved 100% compliance.
Ensure the stormwater service provided meets community expectations.	Percentage of community satisfied with stormwater service (NRB survey).	85%	Achieved 91% (77% including don't know responses).	Achieved 91% (78% including don't know responses).
Major projects are completed on time and within budget.	Major projects are completed on time.	Annual work programme achieved	Not achieved Some projects deferred.	Not achieved ANZCO stormwater delay.
	Major projects are completed within budget.	Annual work programme achieved within budget	Achieved Currently within or under total project budget.	Achieved Currently within or under total project budget.

Stormwater Drainage



Cost of Service Statement for the year ended 30 June 2015

The table below provides, in a standard accounting format, what the Stormwater Drainage activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2014/15 (\$000)	Adj Budget 2014/15 (\$000)	Budget 2014/15 (\$000)	Actual 2013/14 (\$000)
Activity expenditure ¹	2,718	2,809	2,809	2,543
Activity revenue	7	13	13	12
Net cost of operations	2,711	2,796	2,796	2,531
Capital Expenditure				
Renewals	150	820	587	194
Service level improvements	367	955	650	681
Growth	-	-	78	-
Total capital expenditure	517	1,775	1,315	875

Budget variations

¹ Removal of Parklands Avenue project and delay to ANZCO stormwater project has resulted in actual expenditure being less than budgeted.

Stormwater Drainage



Funding Impact Statement for the year ended 30 June 2015

	Actual 2014/15 (\$000)	LTP 2014/15 (\$000)	LTP 2013/14 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	1,607	2,025	1,881
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	7	14	13
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	1,614	2,039	1,894
Applications of operating funding			
Payments to staff and suppliers	(478)	(526)	(552)
Finance costs	(239)	(392)	(260)
Internal charges and overheads applied	(360)	(454)	(437)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(1,077)	(1,372)	(1,249)
Surplus (deficit) of operating funding (A - B)	537	667	645
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	368	1,882	1,044
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	368	1,882	1,044
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	(55)	(109)
- to improve the level of service	(367)	(1,844)	(951)
- to replace existing assets	(150)	(1,262)	(920)
Increase (decrease) in reserves	(388)	612	291
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(905)	(2,549)	(1,689)
Surplus (deficit) of capital funding (C - D)	(537)	(667)	(645)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 5(4), Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense

Depreciation expense	1,641	1,506	1,446
Less deferred/unfunded	(1,104)	(840)	(801)
Net funding transferred to renewals reserves	537	666	645

Flood Protection and Control Works



Responsibility

Manager Water & Wastes

What we deliver

New Plymouth District Council provides flood protection systems to urban areas in the New Plymouth District. This includes the maintenance and monitoring of existing flood protection schemes, including three major dams (Huatoki, Mangaotuku and Waimea), eight bunds, three diversion tunnels and a weir. The impacts of climate change on rainfall will be recognised and incorporated into designs of future flood protection assets.

Why we deliver it

To protect people and property from the effects of flooding from rivers and streams in severe storm events (defined as storm events with a one per cent chance of occurring per year).

Significant challenges during the year

Storm event on 20 and 21 June 2015. Water was detained in dams and water diverted via the Bonithon Avenue diversion tunnel saved the CBD from flooding.

Major projects

For any significant capital projects relevant to Flood Protection and Control Works, refer to Note 40.

Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Provide a reliable flood protection system.	Number of urban houses at risk of being flooded in storm events with a one per cent chance of occurring per year.	0	Not achieved There are 102 dwellings in the Mangaotuku catchment that are known to be at risk of flooding. Options to address this have been investigated and no practical solution has been identified.	Not achieved There are 22 dwellings in the Mangaotuku catchment that are known to be at risk of flooding. Options to address this have been investigated and no practical solution has been identified.
	Percentage contractor compliance with target response times for maintenance and other customer requests.	97%	Achieved 97.5%. This is included as part of the stormwater section of the contract as flood protection is a recent measure.	Not achieved 96.1% (98.3% of urgent jobs completed on time)
Operate the flood protection activity in a manner that protects public health and the environment.	Compliance with resource consent conditions, dam safety regulations and Building Act requirements for flood protection operations.	100%	Achieved No non-compliances recorded.	Achieved 100% compliance.

Flood Protection and Control Works



Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Ensure the flood protection service meets community expectations.	Percentage of community satisfied with flood protection service (NRB survey).	85%	Achieved 96% (67% including don't know responses).	Achieved 96% (84% including don't know responses).
Major projects are completed on time and within budget.	Major projects are completed on time.	Annual work programme achieved	Not achieved Area N (Bell Block Industrial) bunds deferred.	Not applicable No major projects in this financial year.
	Major projects are completed within budget.	Annual work programme achieved within budget	Achieved Currently within or under total project budget.	Not applicable No major projects in this financial year.

Cost of Service Statement for the year ended 30 June 2015

The table below provides, in a standard accounting format, what the Flood Protection and Control Works activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2014/15 (\$000)	Adj Budget 2014/15 (\$000)	Budget 2014/15 (\$000)	Actual 2013/14 (\$000)
Activity expenditure	279	278	278	306
Activity revenue	-	-	-	-
Net cost of operations	279	278	278	306
Capital Expenditure				
Renewals	-	11	29	-
Service level improvements	52	30	13	-
Growth	-	5	5	-
Total capital expenditure	52	46	47	-

Flood Protection and Control Works



Funding Impact Statement for the year ended 30 June 2015

	Actual 2014/15 (\$000)	LTP 2014/15 (\$000)	LTP 2013/14 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	163	124	121
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	163	124	121
Applications of operating funding			
Payments to staff and suppliers	(120)	(91)	(88)
Finance costs	(19)	(24)	(24)
Internal charges and overheads applied	(24)	(10)	(9)
Other operating funding applications	-	0	-
Total applications of operating funding (B)	(163)	(125)	(121)
Surplus (deficit) of operating funding (A - B)	-	(1)	-
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	52	162	156
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	52	162	156
Application of capital funding			
Capital expenditure			
- to meet additional demand	(52)	(164)	(159)
- to improve the level of service	-	-	-
- to replace existing assets	-	(1)	(1)
Increase (decrease) in reserves	-	4	4
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(52)	(161)	(156)
Surplus (deficit) of capital funding (C - D)	-	1	-
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 5(4), Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense

Depreciation expense	116	116	112
Less deferred/unfunded	(116)	(116)	(112)
Net funding transferred to renewals reserves	-	-	-



Solid Waste and Refuse Collection

Responsibility

Manager Water & Wastes

What we deliver

The Council's Solid Waste and Refuse Collection service provides a group of activities for refuse collection and recycling to households and schools within defined service areas. This service includes kerbside collection of solid waste along with the operation of four transfer stations and one sanitary Class A landfill for the Taranaki region.

Around 15,500 tonnes of rubbish from more than 26,500 households is collected each year. We also collect approximately 3,400 tonnes of recycling from households, schools and transfer stations. The main regional landfill at Colson Road, New Plymouth takes around 64,000 tonnes of waste every year.

We promote waste minimisation across our community. This includes delivering educational programmes to businesses and schools.

Why we do it

To ensure that household and business solid waste is collected and disposed of without significant environmental and health impacts while encouraging waste minimisation through better waste management practices.

Significant challenges during the year

Preparation for new kerbside collection contract (to start October 2015) including the introduction of recyclable bins and construction of a materials recovery facility.

Major projects

For any significant capital projects relevant to Solid Waste and Refuse Collection, refer to Note 40.

Solid Waste and Refuse Collection



Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Provide a reliable and effective solid waste and refuse collection service.	Percentage contractor compliance with target times for collection and other customer requests.	100%	Not achieved Okato Transfer Station closed during advertised open hours in December 2013. Contractors contingency plan presented to define process for backup staff.	Achieved 100%
Provide a regular refuse collection and streetside recycling collection to serviced communities.	Serviced population receiving a kerbside collection measured as a proportion of the total population of the district.	85%	Achieved 89%	Achieved 91.33%
Provide a sustainable solid waste management service.	Compliance with various solid waste facility related consent conditions.	100%	Achieved One minor non compliance relating to size of landfill working face. No abatement or infringement notices issued.	Not achieved Abatement notice issued for odour for Colson Road Landfill.
	Year on year percentage reduction in landfill waste generated per household.	5%	Not achieved 1.6% reduction	Not achieved 4.8% increase
	Percentage of total household waste which is recycled by weight (against 2010/11 baseline).	10%	Achieved 13.75%	Not achieved 5.9%
Provide a solid waste service that meets customer expectations.	Percentage of community satisfied with the solid waste and refuse collection services provided by the Council (NRB survey).	80%	Achieved 80% (75% including don't know responses).	Not achieved 77% (72% including don't know responses).

Solid Waste and Refuse Collection



Cost of Service Statement for the year ended 30 June 2015

The table below provides, in a standard accounting format, what the Solid Waste and Refuse Collection activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2014/15 (\$000)	Adj Budget 2014/15 (\$000)	Budget 2014/15 (\$000)	Actual 2013/14 (\$000)
Activity expenditure				
Refuse collection	1,899	2,018	2,018	1,908
Solid waste disposal ¹	1,664	2,034	3,065	2,781
Total activity expenditure	3,563	4,052	5,083	4,689
Activity revenue				
Refuse collection	419	353	353	491
Solid waste disposal ²	4,985	3,976	5,007	5,910
Total activity revenue	5,404	4,329	5,360	6,401
Net cost of operations	(1,841)	(277)	(277)	(1,712)
Capital Expenditure				
Service level improvements ³	2,708	3,015	3,015	819
Total capital expenditure	2,708	3,015	3,015	819

Budget variations

- ¹ Decrease due to lower Emission Trading Scheme costs.
- ² Increased revenue due to greater than budgeted amount of waste disposed of at Colson Road Landfill.
- ³ Payments delays due to work timing for construction of Materials Recovery Facility.

Solid Waste and Refuse Collection



Funding Impact Statement for the year ended 30 June 2015

	Actual 2014/15 (\$000)	LTP 2014/15 (\$000)	LTP 2013/14 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	-	-	-
Targeted rates	1,648	2,080	2,047
Subsidies and grants for operating purposes	15	-	-
Fees and charges	5,387	7,574	6,136
Internal charges and overheads recovered	957	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	8,007	9,654	8,183
Applications of operating funding			
Payments to staff and suppliers	(2,894)	(7,293)	(6,559)
Finance costs	(46)	(47)	(49)
Internal charges and overheads applied	(1,520)	(563)	(542)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(4,460)	(7,903)	(7,150)
Surplus (deficit) of operating funding (A - B)	3,547	1,751	1,033
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(2)	(23)	(2)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(2)	(23)	(2)
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	0	-
- to improve the level of service	(2,708)	(4)	(4)
- to replace existing assets	-	0	-
Increase (decrease) in reserves	(837)	(1,724)	(1,027)
Increase (decrease) of investments	-	0	-
Total applications of capital funding (D)	(3,545)	(1,728)	(1,031)
Surplus (deficit) of capital funding (C - D)	(3,547)	(1,751)	(1,033)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 5(4), Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense

Depreciation expense	104	230	223
Less deferred/unfunded	(8)	(34)	(33)
Net funding transferred to renewals reserves	96	196	190



Responsibility

Manager Water & Wastes

What we deliver

New Plymouth District Council supplies water to defined urban and rural areas. The service includes the operation and maintenance of groundwater bores, river intakes, treatment plants and storage facilities, pump stations and approximately 964km of pipelines. We supply an average of 32m litres of water daily to 28,000 households and businesses all of which is compliant with the New Zealand Drinking Water Standards. We do this through four supply systems at New Plymouth (which includes Omata, Bell Block, Waitara and Urenui), Inglewood, Ōākura and Okato, supplying around 90 per cent of the district's population.

Why we do it

To provide all connected properties with a safe, reliable and affordable supply of water and to ensure water is available in urban areas for firefighting.

Significant challenges during the year

Water restrictions imposed this year due to low rainfall and high demand.

Major projects

For any significant capital projects relevant to Water Supply, refer to Note 40.

Water Supply



Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Provide a reliable water supply.	Flow rate meets minimum flow and pressure levels.	99%	Achieved 99.9% (pressure), 99.6% (flow).	Achieved 99.9% (pressure), 99.3% (flow).
	Contractor compliance with target response times for maintenance and other requests.	97%	Not achieved 93.2%. Service restoration generally completed on time but final reinstatement not completed within specified timeframe.	Not achieved 88.7% (94% of urgent jobs completed on time) High number of calls, most restored on time but reinstatement delays
	Firefighting flows in urban residential areas meet Fire Service code.	100%	Not achieved Some areas are known not to meet firefighting code. Some provision has been made in the Long-Term Plan for improvement to firefighting flows but it will take many years to bring the entire serviced area up to code.	Not achieved Some areas are known not to meet firefighting code. Some provision has been made in the Long-Term Plan for improvement to firefighting flows but it will take many years to bring the entire serviced area up to code.
Provide safe drinking water.	Compliance with New Zealand Drinking Water Standards.	100%	Achieved Full compliance with NZ Drinking Water Standards.	Achieved Full compliance with NZ Drinking Water Standards.
Provide a sustainable water service.	Water losses (in litres per connection per day, averaged over the year).	260	Achieved (target 270) 249	Not achieved 372 Revision of data and method of computation has resulted in a higher estimate of losses.
Ensure the network has the capacity to accommodate growth.	Total time water restrictions are in force in any year.	<7 days	Not achieved 51 days of water restrictions this year.	Not achieved 49 days of water restrictions this year.
Ensure the water service provided meets community expectations.	Percentage of community satisfied with the water service (NRB survey).	96%	Not achieved 93% (85% including don't know responses).	Not achieved 91% (81% including don't know responses).
The network has capacity to accommodate growth.	Dwellings serviced as a percentage of total occupied dwellings within the district.	92%	Achieved 92%. Only using properties defined as residential.	Achieved 92%. Only using properties defined as residential.



Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Major projects are completed on time and within budget.	Major projects are completed on time.	Annual work programme achieved	Not achieved Okato bore delayed, Ōākura trunk main underway.	Not achieved Okato bore and Ōākura trunk main underway but held up by easement negotiations.
	Major projects are completed within budget.	Annual work programme achieved within budget	Achieved Currently within or under total project budget.	Achieved Currently within or under total project budget.

Cost of Service Statement for the year ended 30 June 2015

The table below provides, in a standard accounting format, what the Water Supply activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2014/15 (\$000)	Adj Budget 2014/15 (\$000)	Budget 2014/15 (\$000)	Actual 2013/14 (\$000)
Activity expenditure ¹	10,231	11,023	11,023	10,474
Activity revenue ²	4,229	3,951	3,951	3,977
Net cost of operations	6,002	7,072	7,072	6,497
Capital Expenditure				
Renewals	718	1,261	604	746
Service level improvements	660	2,141	766	347
Growth	170	655	609	-
Total capital expenditure³	1,548	4,057	1,979	1,093

Budget variations

- ¹ Savings in operating costs (insurance, chemical and internal recharges) and lower depreciation and finance costs due to delays in capital works programme.
- ² Increased revenue from water by meter and other customers.
- ³ Savings achieved in capital programme of \$330,000. Okato groundwater and Ōākura trunk main delay due to obtaining easements. Timing delays for Water Master Plan, Vickers to City and Connett Road trunk mains due to work programme.

Water Supply



Funding Impact Statement for the year ended 30 June 2015

	Actual 2014/15 (\$000)	LTP 2014/15 (\$000)	LTP 2013/14 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	-	-	-
Targeted rates	9,851	10,812	10,554
Subsidies and grants for operating purposes	-	-	-
Fees and charges	781	668	635
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	10,632	11,480	11,189
Applications of operating funding			
Payments to staff and suppliers	(2,820)	(3,094)	(2,726)
Finance costs	(1,663)	(2,035)	(2,044)
Internal charges and overheads applied	(1,906)	(2,808)	(2,722)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(6,389)	(7,937)	(7,492)
Surplus (deficit) of operating funding (A - B)	4,243	3,543	3,697
Sources of capital funding			
Subsidies and grants for capital expenditure	95	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(750)	38	1,262
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(655)	38	1,262
Application of capital funding			
Capital expenditure			
- to meet additional demand	(170)	(600)	(502)
- to improve the level of service	(660)	(1,049)	(2,393)
- to replace existing assets	(718)	(750)	(769)
Increase (decrease) in reserves	(2,040)	(1,182)	(1,295)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(3,588)	(3,581)	(4,959)
Surplus (deficit) of capital funding (C - D)	(4,243)	(3,543)	(3,697)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 5(4), Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense

Depreciation expense	3,842	3,379	3,250
Less deferred/unfunded	(1,122)	(1,212)	(1,151)
Net funding transferred to renewals reserves	2,720	2,167	2,099

Wastewater Treatment



Responsibility

Manager Water & Wastes

What we deliver

The Council's Wastewater Treatment service includes a group of activities which collects, treats and disposes of domestic and industrial wastewater from urban areas of New Plymouth, Bell Block, Waitara, Inglewood and Ōākura. This service includes the operation and maintenance of treatment plants, pump stations and underground pipe networks (sewers). We also monitor the flow of trade waste into the wastewater network and provide disposal facilities for liquid effluent from domestic and industrial septic tanks. We handle on average 22m litres of wastewater each day, servicing more than 25,000 properties via 33 pump stations and 662km of sewers.

Why we do it

To dispose of wastewater in a safe and efficient manner ensuring healthy urban communities and minimising the environmental impact of treating wastewater. The Wastewater Treatment service ensures that public health and the environment is protected and provides a high level of reliability in emergency situations.

Significant challenges during the year

- Successful commissioning of the Waitara to New Plymouth sewer and pump station without impacting normal flows.
- Successful completion of Wai Taatari Stage One (the project to upgrade the New Plymouth Wastewater Treatment Plant). Working on a live plant without impacting normal flows.

Major projects

For any significant capital projects relevant to Wastewater Treatment, refer to Note 40.

Wastewater Treatment



Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Provide a reliable wastewater service.	Number of recorded dry weather overflow events entering natural water courses.	5	Not achieved (target 6) 21 dry weather overflow events have occurred, 12 in reticulation due to blockages (9) and pipe breakage (3). Nine at sewage pump stations due to pump blockage (1), equipment failure (4) and power failure (4).	Not achieved 17 dry weather overflow events have occurred, 11 in reticulation due to blockages. Six at sewage pump stations due to equipment failure (3) and power failure (3).
	Contractor compliance with target response times for maintenance and other customer requests.	97%	Not achieved 95.7%. Service restoration generally on time but final reinstatement not completed on time.	Not achieved 96.2% (96.5% of urgent jobs completed on time)
Manage the impact of wastewater treatment on the environment.	Compliance with wastewater treatment consent requirements.	100%	Not achieved 8 non-compliance events recorded. Two 14 day letters from TRC with no further action following NPDC response. Two infringement notices issued. Effects on the environment less than minor.	Not achieved 5 non-compliance events recorded. Two 14 day letters from TRC with no further action following NPDC response. No infringement notices issued. Effects on the environment less than minor.
Provide a sustainable wastewater service.	Percentage of total biosolids produced annually that are beneficially reused.	100%	Not achieved 99% of Bioboost produced was beneficially reused. 289 wet tonnes of sludge were disposed to landfill.	Not achieved 99% of Bioboost produced was beneficially reused. 61 wet tonnes of sludge were disposed to landfill.
Ensure the network has the capacity to accommodate growth.	Percentage of population able to connect to the wastewater network (calculated as a percentage of total occupied dwellings within the district that are serviced).	89%	Achieved (target 88%) 89%	Achieved 89%
Provide a wastewater service that meets community expectations.	Percentage of community satisfied with wastewater service (NRB survey).	95%	Achieved 95% (78% including don't know responses).	Achieved 98% (78% including don't know responses).

Wastewater Treatment



Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Major projects are completed on time and within budget.	Major projects are completed on time.	Annual work programme achieved	Not achieved Waitara pump station conversion delay due to NPWWTP upgrade.	Achieved
	Major projects are completed within budget.	Annual work programme achieved within budget	Achieved Currently within or under total project budget.	Achieved

Cost of Service Statement for the year ended 30 June 2015

The table below provides, in a standard accounting format, what the Wastewater Treatment activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2014/15 (\$000)	Adj Budget 2014/15 (\$000)	Budget 2014/15 (\$000)	Actual 2013/14 (\$000)
Activity expenditure ¹	15,066	16,134	16,133	15,394
Operating revenue	2,084	2,144	2,142	2,357
Net cost of operations	12,982	13,990	13,991	13,037
Capital Expenditure				
Renewals	2,900	3,587	1,943	2,983
Service level improvements	2,466	3,885	1,644	2,474
Growth	155	1,670	1,670	200
Total capital expenditure²	5,521	9,142	5,257	5,657

Budget variations

¹ Savings in operating costs (insurance, electricity, gas, chemicals and internal charges) and lower depreciation and finance costs due to delays in capital works programme).

² Savings achieved in capital programme of \$330,000. Area Q sewer system delays in obtaining easements and developer consortium agreement. Wai Taatari phase 2 and Waitara to New Plymouth sewer payment delays due to project programme.

Wastewater Treatment



Funding Impact Statement for the year ended 30 June 2015

	Actual 2014/15 (\$000)	LTP 2014/15 (\$000)	LTP 2013/14 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	-	-	-
Targeted rates	12,679	14,558	14,025
Subsidies and grants for operating purposes	-	-	-
Fees and charges	2,083	1,949	1,890
Internal charges and overheads recovered	22	365	353
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	14,784	16,872	16,268
Applications of operating funding			
Payments to staff and suppliers	(3,944)	(4,411)	(4,118)
Finance costs	(3,645)	(4,304)	(4,318)
Internal charges and overheads applied	(2,254)	(2,701)	(2,621)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(9,843)	(11,416)	(11,057)
Surplus (deficit) of operating funding (A - B)	4,941	5,456	5,211
Sources of capital funding			
Subsidies and grants for capital expenditure	2	11	11
Development and financial contributions	-	-	-
Increase (decrease) in debt	(103)	1,855	1,211
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(101)	1,866	1,222
Application of capital funding			
Capital expenditure			
- to meet additional demand	(155)	(3,131)	(2,473)
- to improve the level of service	(2,466)	(1,742)	(1,818)
- to replace existing assets	(2,900)	(2,167)	(3,616)
Increase (decrease) in reserves	681	(282)	1,474
Increase (decrease) of investments	-	0	-
Total applications of capital funding (D)	(4,840)	(7,322)	(6,433)
Surplus (deficit) of capital funding (C - D)	(4,941)	(5,456)	(5,211)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 5(4), Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense

Depreciation expense	5,245	4,937	4,706
Less deferred/unfunded	(3,343)	(1,946)	(1,828)
Net funding transferred to renewals reserves	1,902	2,991	2,878

Emergency Management and Business Continuance



Responsibility

Manager Infrastructure Support

What we deliver

New Plymouth District Council plans for and manages major and widespread emergency (civil defence) events. It does this as a member of the Taranaki Civil Defence Emergency Management Group jointly with the other Taranaki councils and in conjunction with other agencies and the Taranaki community. The Council also plans for and manages the continuation of its own services for all emergency events both major and minor. This service provides for the reduction, readiness, response and recovery aspect of civil defence and emergency management to create a resilient New Plymouth District. Also included in this service is the planning and management of rural fires over an area of 1.1m hectares.

Why we do it

To reduce the effect of emergency events and rural fires on the community's quality of life and ensure that Council services are maintained or restored as quickly as possible following such events. To meet the requirements of the Civil Defence Emergency Management Act 2002 and the Forest and Rural Fires Act 1977. These activities require the Council to take responsibility for the reduction of, readiness for, response to and recovery from risks and events associated with emergency management and rural fires.

Significant challenges during the year

- The June 2015 major flooding event in the Taranaki region have put community and infrastructure to the test. Some localised flooding occurred and the main damage was due to landslips which affected roads around the district.
- For rural fire there was a major incident at Colson Road Landfill.

Major projects

For any significant capital projects relevant to Emergency Management and Business Continuance, refer to Note 40.

Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Planning for and management of emergency events.	Emergency processes and plans are up to date.	Processes and plans reviewed and updated	Achieved Exercise Pahu conducted to test practices and review processes and plan.	Achieved Regional Taranaki Volcanic Response Plan developed through Taranaki Emergency Management Office.

Emergency Management and Business Continuance



Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Control and extinguish fires in rural areas (except buildings which are the responsibility of the New Zealand Fire Service).	All reports of uncontrolled or unauthorised rural fires responded to within set timeframes and extinguished by the Council contractors where necessary.	100%	Achieved	Achieved 49 calls received over this summer period and all responded to within the set timeframes. Major rural fire incident at Colson Road.
	Trained fire crews are available in all required areas and crew and equipment meet standards of audit.	Full compliance	Not achieved Taranaki Rural Fire Authority now established to standardise training across Taranaki's fire crew to meet required standards.	Achieved Training requirements and equipment meets audit standards.
Major projects are completed on time and within budget.	Major projects are completed on time.	Annual work programme achieved	No major projects.	Two significant projects - development of community development plans and national emergency management system are progressing as planned.
	Major projects are completed within budget.	Annual work programme achieved within budget	No major projects.	Projects on budget.

Cost of Service Statement for the year ended 30 June 2015

The table below provides, in a standard accounting format, what the Emergency Management and Business Continuance activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2014/15 (\$000)	Adj Budget 2014/15 (\$000)	Budget 2014/15 (\$000)	Actual 2013/14 (\$000)
Activity expenditure	471	482	482	451
Operating revenue ¹	19 ¹	1	1	24
Net cost of operations	452	481	481	427
Total capital expenditure	-	-	-	-

¹ Revenue received from rural fire incident cost recovery.

Emergency Management and Business Continuance



Funding Impact Statement for the year ended 30 June 2015

	Actual 2014/15 (\$000)	LTP 2014/15 (\$000)	LTP 2013/14 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	452	451	443
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	19	1	1
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	471	452	444
Applications of operating funding			
Payments to staff and suppliers	(355)	(383)	(380)
Finance costs	-	-	-
Internal charges and overheads applied	(116)	(69)	(64)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(471)	(452)	(444)
Surplus (deficit) of operating funding (A - B)	-	-	-
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	-	-	-
Surplus (deficit) of capital funding (C - D)	-	-	-
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 5(4), Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense

Depreciation expense	-	-	-
Less deferred/unfunded	-	-	-
Net funding transferred to renewals reserves	-	-	-

Community Development



Responsibility

Manager Community Development

What we deliver

New Plymouth District Council's Community Development service provides co-ordination and support for community networks and groups to build their capacity to assist in developing a strong and connected community. The Community Development service works actively with key stakeholder groups to identify, develop and implement new initiatives that will contribute to greater community cohesion.

The service also provides administration of community funding and provision of tenancy services for the Council's housing for the elderly service.

Why we do it

To ensure community and voluntary organisations are equipped to make a significant contribution to the well-being and quality of life of the community.

Significant challenges during the year

A range of service level reductions as part of the Long-Term Plan 2015-2025 deliberations resulted in a new model of service delivery that saw a shift to a more strategic approach. This transition will continue with an increased focus on significant and scaled partnership initiatives.

Major projects

For any significant capital projects relevant to Community Development, refer to Note 40.

Community Development



Levels of service and performance information

Level of Service	Performance Measure	2012/13 Target	Results/Comments 2013/14	Results/Comments 2014/15
Support community initiatives that increase collaboration and contribute to a stronger sense of community.	Percentage of clients report an improvement in performance as a result of Community Development involvement.	85%	Achieved 100%	Achieved 94%
	Percentage of residents satisfied with Council assistance and support to community groups (NRB survey).	Exceeds peer group average	Achieved 95% satisfaction against 88% peer group average (61% satisfaction against 59% peer group average when don't know responses are included).	Not achieved 89% satisfaction against 92% peer group average (54% satisfaction against 65% peer group average when don't know responses are included).
Build community capacity and capability by providing individual and group training opportunities.	Percentage of groups satisfied with the quality of training received.	85%	Achieved 100%	Achieved 100%
Administer and coordinate the housing for the elderly service.	Percentage of tenants satisfied with the service.	90%	Achieved 96%	Achieved 98%
Provide funding support for community organisations and initiatives.	Percentage of funding key performance indicators set by Council funded community organisations are achieved.	95%	Achieved The average achievement percentage of KPIs was 99%. Out of the 60 KPIs reported on from funded groups 57 of these showed 100% achievement.	Achieved The average achievement percentage of KPIs was 97%. Out of the 47 KPIs reported on from funded groups 43 of these showed 100% achievement.
Strategic relationships are pursued that lead to new opportunities or initiatives being undertaken within the community	Number of new opportunities initiated per year.	5	Achieved Five new initiatives undertaken. These are all collaborative projects with other organisations.	Achieved Eight new initiatives undertaken. These are all collaborative projects with other organisations.

Community Development



Cost of Service Statement for the year ended 30 June 2015

The table below provides, in a standard accounting format, what the Community Development activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2014/15 (\$000)	Adj Budget 2014/15 (\$000)	Budget 2014/15 (\$000)	Actual 2013/14 (\$000)
Activity expenditure				
Community development ¹	553	671	671	658
Community funding* ²	3,308	3,532	3,193	3,041
Housing for the elderly	959	1,003	1,003	991
Total activity expenditure	4,820	5,206	4,867	4,690
Activity revenue				
Community development ³	44	-	-	1
Community funding ⁴	69	51	51	59
Housing for the elderly	890	912	912	980
Total activity revenue	1,003	963	963	1,040
Net cost of operations	3,817	4,243	3,904	3,650
Capital Expenditure				
Renewals	33	79	61	72
Service level improvements	-	-	-	-
Growth	-	-	-	-
Total capital expenditure	33	79	61	72

* Community funding expenditure includes Council concessions and rates remissions. This demonstrates the level of subsidy the Council provides to other organisations and is not an amount funded from rates.

Budget variations

- ¹ Community development underspend is the result of vacancy management.
- ² Community funding underspend is a result of allocated funds currently not uplifted by fund recipients. Committed funds have been carried forward to the following financial year.
- ³ Unbudgeted community development revenue is a result of a fee for service staff secondment and central government grant.
- ⁴ Increase in community funding revenue is a result of additional funding allocated from Creative Communities NZ as a result of funding matched to population increase.

Community Development



Funding Impact Statement for the year ended 30 June 2015

	Actual 2014/15 (\$000)	LTP 2014/15 (\$000)	LTP 2013/14 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	3,715	5,626	5,802
Targeted rates	-	-	-
Subsidies and grants for operating purposes	79	46	46
Fees and charges	923	962	962
Internal charges and overheads recovered	613	76	74
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	5,330	6,710	6,884
Applications of operating funding			
Payments to staff and suppliers	(3,941)	(5,585)	(5,765)
Finance costs	(15)	(29)	(29)
Internal charges and overheads applied	(1,292)	(838)	(840)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(5,248)	(6,452)	(6,634)
Surplus (deficit) of operating funding (A - B)	82	258	250
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	(33)	(80)	(87)
Increase (decrease) in reserves	(49)	(178)	(163)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(82)	(258)	(250)
Surplus (deficit) of capital funding (C - D)	(82)	(258)	(250)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 5(4), Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense

Depreciation expense	184	307	297
Less deferred/unfunded	(102)	-	-
Net funding transferred to renewals reserves	82	307	297

Govett-Brewster Art Gallery



Responsibility

Director Govett-Brewster

What we deliver

The Govett-Brewster Art Gallery is New Zealand's contemporary art museum offering a group of activities within its programme of exhibitions and events, including three suites of exhibitions, publications, and 60 education and cultural appreciation events each year. The gallery is home to the collection of Taranaki, national and international artworks with a Pacific focus and the Collection and Archive of internationally recognised filmmaker and kinetic artist Len Lye (1901 to 1980). New Plymouth District Council has completed the Len Lye Centre, including galleries, education centre, research centre, and a cinema for the care, display and development of the art and ideas of Len Lye. It has also funded a major upgrade and earthquake strengthening of the Govett-Brewster. The Len Lye Centre is opening on time on 25 July 2015.

Why we do it

The activities within this group provide a relevant and accessible art museum for residents and visitors. The gallery contributes to quality of life and cultural well-being and raises the national and international profile of the New Plymouth District which is one reason why domestic and international visitors are attracted and a skilled workforce is retained in the area. It also contributes to delivering local arts, culture and events which are central to providing high quality and diverse cultural and recreational experiences and where independence and creativity is encouraged.

Significant challenges during the year

The principal challenge has been the completion of capital works involved with the construction of the Len Lye Centre and the earthquake strengthening and improvement of the building management system of the Govett-Brewster Art Gallery. The completion of new kinetic sculptures by Len Lye in conjunction with the Len Lye Foundation and restoration of filmworks in conjunction with Nga Taonga Sound & Vision (formerly NZ Film Archive) in time for opening in July 2015.

Major projects

For any significant capital projects relevant to Govett-Brewster Art Gallery, refer to Note 40.



Govett-Brewster Art Gallery

Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Offer engaging exhibitions annually comprising solo and group exhibitions from Taranaki, New Zealand and the world.	Number of exhibition suites per year.	3	Because the Gallery building is closed, two suites were not achieved. Four <i>Open Window</i> projects took place at the Cafe entrance. Six off-site projects achieved (target 2)	Two exhibitions held offsite. Two exhibitions held onsite - Open Window. One touring exhibition.
Offer quality access to the art and ideas of Len Lye.	Number of Len Lye exhibitions annually.	2	Achieved (target 0) Three exhibitions held. Len Lye: Agiagia Mangere Arts Centre (13 December 2013 – 16 March 2014). Art of its own making includes Len Lye Wind Wands at the Pulitzer Foundation in St Louis (21 February – 23 August 2014). Len Lye: Motion Sketch at the Drawing Center, New York (16 – April – 15 June 2014). The opening exhibition and two publications are in development for mid 2015 (June).	Seven wind wands loaned to St Louis USA. Work loaned to Adam Art Gallery for Cinema and Painting exhibition.
Audiences have positive experiences of the Govett-Brewster Art Gallery and Len Lye Centre combined service.	Total visitors to the combined facility annually.	96,000	Achieved (target 20,000) 206,397 estimated viewers of public art projects including the Ann Shelton billboard project at Midhirst. The total includes viewers of touring exhibitions.	Achieved 220,000 estimated visitors to Reuben Paterson's Golden Bearing in the Festival of the Lights plus 11,248 visitors to education, touring and Open Window exhibitions.
	Percentage of resident satisfaction with the service (NRB survey).	Meets or exceeds peer group average	Not measured in 2014.	Not measured in 2015.

Govett-Brewster Art Gallery



Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Offer the combined Govett-Brewster Art Gallery and Len Lye Centre service as a quality learning experience.	Percentage of teachers satisfied with school experience.	95%	Achieved 100% of teaching experiences have been conducted off-site including outdoors.	Achieved 100% satisfaction from 101 classes conducted off-site including outdoors.
Major projects are completed on time and within budget.	Major projects are completed on time.	Annual work programme achieved	Achieved The Len Lye Centre is due to open in mid 2015 (July).	Achieved The Len Lye Centre is set to open 25 July 2015.
	Major projects are completed within budget.	Annual work programme achieved within budget	Achieved The construction of the Len Lye Centre and the earthquake strengthening of GBAG remains within budget.	Achieved The construction of the Len Lye Centre and the earthquake strengthening of GBAG remains within budget.

Note. 2013/14 covers the transition period from Govett-Brewster Art Gallery to the combined facility with the Len Lye Centre.

Cost of Service Statement for the year ended 30 June 2015

The table below provides, in a standard accounting format, what the Govett-Brewster Art Gallery activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2014/15 (\$000)	Adj Budget 2014/15 (\$000)	Budget 2014/15 (\$000)	Actual 2013/14 (\$000)
Activity expenditure ¹	3,237	3,763	3,667	2,840
Operating revenue	4,269	3,888	3,888	2,538
Net cost of operations	(1,032)	(125)	(221)	302
Capital Expenditure				
Renewals	4,602	4,675	2,944	1,033
Service level improvements	6,387	6,197	5,627	4,073
Growth	-	-	-	-
Total capital expenditure	10,989	10,872	8,571	5,106

Budget variations

¹ Savings from cost of staff because of the Council's realignment and lower cost of opening exhibitions linked to building programme.



Govett-Brewster Art Gallery

Funding Impact Statement for the year ended 30 June 2015

	Actual 2014/15 (\$000)	LTP 2014/15 (\$000)	LTP 2013/14 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	3,177	3,442	2,897
Targeted rates	-	-	-
Subsidies and grants for operating purposes	84	332	279
Fees and charges	30	291	130
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	3,291	4,065	3,306
Applications of operating funding			
Payments to staff and suppliers	(2,186)	(2,757)	(2,203)
Finance costs	-	0	-
Internal charges and overheads applied	(1,052)	(1,092)	(947)
Other operating funding applications	-	0	-
Total applications of operating funding (B)	(3,238)	(3,849)	(3,150)
Surplus (deficit) of operating funding (A - B)	53	216	156
Sources of capital funding			
Subsidies and grants for capital expenditure	4,156	32	2,282
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	22	20
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	4,156	54	2,302
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	(6,387)	(1,561)	(5,059)
- to replace existing assets	(4,602)	(54)	(1,805)
Increase (decrease) in reserves	6,780	1,345	4,406
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(4,209)	(270)	(2,458)
Surplus (deficit) of capital funding (C - D)	(53)	(216)	(156)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 5(4), Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense

Depreciation expense	143	392	250
Less deferred/unfunded	-	(179)	(88)
Net funding transferred to renewals reserves	143	213	162

Puke Ariki and District Libraries



Responsibility

Director Puke Ariki

What we do

The Council's Puke Ariki and District Libraries service provides a group of activities which includes a combined museum, library and visitor information centre (i-SITE) and district libraries. The museum serves Taranaki while the libraries and i-SITE serve New Plymouth District. Puke Ariki collects, cares for, promotes and provides physical and digital access to heritage materials, library lending material and information resources. Its key focus is on stimulating learning and creativity at many levels which it delivers through formal education programmes, public programming, exhibitions and its Taranaki Research Centre along with the provision of support facilities such as WiFi and information technology.

This service includes community libraries at Inglewood, Ōākura, Waitara, Bell Block and Urenui and a mobile library. Waitara, Inglewood and Bell Block libraries also operate as Council service centres.

Why we do it

To offer residents and visitors the chance to connect with ideas, sparking creativity and innovation, and to provide them with learning opportunities to maximise their potential and capacity to contribute to our society and economy. To enhance the cultural well-being and quality of life in the district. Puke Ariki collects, protects and promotes access to our heritage to help grow a strong sense of Taranaki culture. It provides experiences that nurture cross-cultural understanding and greater understanding of Māori history and world view.

Significant challenges during the year

- Continued commitment to increasing online access to Puke Ariki resources, particularly those relating to the Heritage Collection, saw the completion of the second year of the externally funded Swainson/Woods Digitisation project. During the year 27,335 images were added to the Vernon browser.
- The Long Term Galleries future plan was completed and two change outs occurred, the *Oil and Gas Story and Kōkako: the story of Tamanui*, in the galleries.
- E-book purchasing continues to be a challenge as many providers, including some of the major publishers have chosen not to make their books available to libraries and there are as many delivery models as there are providers. The National Library is currently working on a high level solution to this problem but in the meantime Puke Ariki is working to purchase and make available a broad range of titles through a small number of well established suppliers.

Major projects

For any significant capital projects relevant to Puke Ariki and District Libraries, refer to Note 40.

Puke Ariki and District Libraries



Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Provide a broad range of events, services and exhibitions.	Number of visits to Puke Ariki and District Libraries per year.	820,000	Not achieved (target 800,000) 774,534 visits to Puke Ariki and Community libraries recorded. Puke Ariki door counters have had to be replaced as it was discovered there was a fault in the North Wing counter which affected the last 3 months totals. As a result the counts are not an accurate reflection of actual visitation. Based on the previous nine months data and applying this to the last quarter the visitor numbers would have been in the vicinity of 800,690.	Not achieved 710,189 visits to Puke Ariki and Community libraries recorded. Trialling of a new door counter system over two months saw 120 people per day being missed under the old system. To extrapolate over the whole year we could have missed 43,800 visitors being included in the total. If included this brings our estimated total to 753,989 (3% down on 2013/14). The new system was installed permanently at the end of June for both the library and museum entrances.
	Percentage of users satisfied with Puke Ariki.	95%	Achieved 98% of users are satisfied with Puke Ariki. This figure is the overall average from ongoing collection of feedback and surveys throughout the year.	Achieved 97% of users are satisfied with Puke Ariki. This figure is the overall average from ongoing collection of feedback and surveys throughout the year.
Access to the Taonga Māori, Archives, Pictorial and Social History collections.	Requests for access are responded to within five working days.	100%	Achieved Requests for access are responded well within five working days.	Achieved Requests for access are responded well within five working days.

Puke Ariki and District Libraries



Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
To deliver a range of programmes which explore creativity, literacy and our heritage in ways which stimulate learning, innovation and prosperity.	Number of programmed learning opportunities (including seminars, exhibition based events, school programmes, facilitated groups etc) and number of attendees.	865 programmes 23,400 attendees	Achieved (target 860 programmes and 23,300 attendees) 1,192 programmed learning opportunities at Puke Ariki. This includes 732 facilitated education programmes conducted through Puke Ariki, the Taranaki Research Centre, Discover it and the Community Libraries, as well as 460 exhibition related events and community events were held. 27,522 attendees to all events	Achieved 1,207 programmed learning opportunities at Puke Ariki. This includes 818 facilitated education programmes conducted through Puke Ariki, the Taranaki Research Centre, Discover it and the Community Libraries, as well as 389 exhibition related events and community events were held. 29,973 attendees to all events
	Percentage of attendees satisfied with the programmed learning activities.	95%	Achieved 98% overall average for attendees to all events. Teachers gave 100% satisfaction for education programmes.	Achieved 97% overall average for attendees to all events. Teachers gave 100% satisfaction for education programmes.
Provide an accessible mix of print and digital lending and reference resources suitable to meet the changing needs of the community.	Number of web page views on the Puke Ariki websites.	300,000	Achieved (target 285,000) 1,263,682 (includes, Puke Ariki, Heritage Collection Browser (Vernon), Library (Kōtui and Kete) and Special Project Websites (Kiwi Prefab). Does not include i-SITE website.	Achieved 1,606,886 (includes, Puke Ariki, Heritage Collection Browser (Vernon), Library (Kōtui and Kete) and Special Project Websites (Kiwi Prefab). Does not include i-SITE website
Provide an accessible and informative point of contact and booking service for visitors to New Plymouth District.	Number of tourism related enquiries per annum (includes bookings, web enquiries, and visits).	33,000	Achieved (target 32,000) 57,816 tourism related enquiries.	Achieved 84,081 tourism related enquiries.



Puke Ariki and District Libraries

Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Major projects are completed on time and within budget.	Major projects are completed on time.	Annual work programme achieved	<p>Puke Ariki continues the annual programme of two major temporary exhibitions supported by several smaller exhibitions that utilize Puke Ariki collections.</p> <p>Long Term galleries refreshment commenced and forward planning in place.</p> <p>The shelf ready library supply company took longer to set up their system to handle the implementation of RFID tagging and the first of the tagged items started arriving at the end of the financial year.</p> <p>During the 2013/14 year the ebook collection grew by 200%.</p>	<p>Puke Ariki continues the annual programme of two major temporary exhibitions supported by several smaller exhibitions that utilize Puke Ariki collections.</p> <p>Long Term galleries refreshment continues and forward planning in place.</p>
	Major projects are completed within budget.	Annual work programme achieved within budget	Budget on track with staged work of the projects.	Budget on track with staged work of the projects.

Puke Ariki and District Libraries



Cost of Service Statement for the year ended 30 June 2015

The table below provides, in a standard accounting format, what the Puke Ariki and District Libraries activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2014/15 (\$000)	Adj Budget 2014/15 (\$000)	Budget 2014/15 (\$000)	Actual 2013/14 (\$000)
Activity expenditure	10,835	11,712	11,731	11,019
Operating revenue ¹	918	993	993	805
Net cost of operations	9,917	10,719	10,738	10,214
Capital Expenditure				
Renewals ²	925	1,093	976	616
Service level improvements ³	555	656	526	491
Growth	-	-	-	-
Total capital expenditure	1,480	1,749	1,502	1,107

Budget variations

- ¹ Both museum shop and library fees and charges were less than projected. Puke Ariki also did not receive the level of external funding for temporary exhibitions as anticipated.
- ² The reduced renewals expenditure is from three areas: Property (\$53,000 - cooling tower replacement), Books (\$65,000 - on order but have not been received) and General (\$50,000 - project delayed).
- ³ Variation due to delay in issuing contract for 'Ko Taranaki te Maunga' Long Term Gallery refresh component.

Puke Ariki and District Libraries



Funding Impact Statement for the year ended 30 June 2015

	Actual 2014/15 (\$000)	LTP 2014/15 (\$000)	LTP 2013/14 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	10,027	12,536	12,044
Targeted rates	-	-	-
Subsidies and grants for operating purposes	385	526	526
Fees and charges	433	580	562
Internal charges and overheads recovered	159	174	168
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	11,004	13,816	13,300
Applications of operating funding			
Payments to staff and suppliers	(4,932)	(6,863)	(6,716)
Finance costs	-	-	-
Internal charges and overheads applied	(4,355)	(4,036)	(3,992)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(9,287)	(10,899)	(10,708)
Surplus (deficit) of operating funding (A - B)	1,717	2,917	2,592
Sources of capital funding			
Subsidies and grants for capital expenditure	101	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	101	-	-
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	(555)	(618)	(473)
- to replace existing assets	(925)	(1,068)	(959)
Increase (decrease) in reserves	(338)	(1,231)	(1,160)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(1,818)	(2,917)	(2,592)
Surplus (deficit) of capital funding (C - D)	(1,717)	(2,917)	(2,592)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 5(4), Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense

Depreciation expense	1,712	2,532	2,357
Less deferred/unfunded	(455)	(237)	(230)
Net funding transferred to renewals reserves	1,257	2,295	2,127

Recreation and Events



Responsibility

Manager Recreation and Events

What we deliver

The Recreation and Events service provides a group of activities which includes four multi-purpose recreation and entertainment venues: TSB Bowl of Brooklands, TSB Showplace, TSB Stadium and Yarrow Stadium. It provides community events, such as the annual TSB Bank Festival of Lights and support for other events, such as the Surf Festival, as well as being the host city partner for WOMAD 2014-2016. New Plymouth District Council also provides five swimming pool complexes and 'learn to swim' and fitness programmes. The Council will continue to provide financial support to the Bell Block Community Pool Society Incorporated to fund the staffing costs for the Bell Block Community Pool. A total of \$117,900 will be provided by the Council and will be incorporated within the Council's swimming pool budget. This amount includes an existing \$63,800 allocation previously provided by Community Development.

Why we do it

To provide high-quality and affordable recreation and entertainment opportunities for residents with the added benefit of attracting visitors to the district.

The Recreation and Events service contributes to the delivery of arts, community and cultural events, music and entertainment, sports and recreation events and special interest initiatives which brings people together and provides the opportunity to appreciate, celebrate, contribute and stimulate New Plymouth District's diversity, history, traditions and interests.

Significant challenges during the year

- Being host city and presenting six FIFA U20 World Cup games.
- Retiling Todd Energy Aquatic Centre and completing on time proved to be a complicated project.
- A busy summer programme of events, whilst ultimately successful, stretched resources.

Major projects

For any significant capital projects relevant to Recreation and Events, refer to Note 40.

Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Provide high quality community pools which encourage more of the community to participate in aquatic activities.	Percentage of residents satisfied with the swimming facilities and staff service (NRB survey).	80%	Achieved 93% (80% including don't know responses).	Achieved 91% (80% including don't know responses).
	Pool patronage per year.	330,000	Achieved 414,362 includes district pools	Achieved 341,870 includes district pools

Recreation and Events



Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Provide a range of events which appeal to residents and visitors.	Percentage of residents satisfied with the events (NRB survey).	95%	Achieved 95% (87% including don't know responses).	Achieved 97% (89% including don't know responses).
	Percentage of residents satisfied with the events venues (NRB survey)	90%	Achieved 97% (93% including don't know responses).	Achieved 98% (93% including don't know responses).
Provide a network of high quality venues that create more opportunities for the community to attend arts, culture and sport and recreation activities.	Number of events and attendees across all venues increases annually.	275,000 attendees 475 events (total across all venues)	Achieved 299,924 attendees 873 events (total across all venues)	Achieved 394,813 attendees 916 events (total across all venues).
All venues and pools are managed to a high level of health and safety.	All required health and safety standards are met	All standards are met	Achieved All pools Poolsafe accredited.	Achieved All pools Poolsafe accredited.
Major projects are completed on time and within budget.	Major projects are completed on time.	Annual work programme achieved	TSB Stadium and Todd Energy Aquatic Centre feasibility studies will be reported back as part of the Long-Term Plan process.	Studies on TSB Stadium and Todd Energy Aquatic Centre reported back as part of Long-Term Plan 2015-2025 process.
	Major projects are completed within budget.	Annual work programme achieved within budget	On track Feasibility studies completed within allocated budget.	The tiling contract for Todd Energy Aquatic Centre was \$200,000 over budget (mainly due to the need to replace existing expansion joints which only became apparent when the old tiles were removed). In addition for health and safety reasons there was a need to replace the chlorine building (\$160,000), works still in progress. Contributions from Todd Energy were used to fund this budget overrun.

Recreation and Events



Cost of Service Statement for the year ended 30 June 2015

The table below provides, in a standard accounting format, what the Recreation and Events activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2014/15 (\$000)	Adj Budget 2014/15 (\$000)	Budget 2014/15 (\$000)	Actual 2013/14 (\$000)
Activity expenditure				
Pools ¹	3,939	4,166	4,164	4,260
Programmes and events ²	1,340	1,465	1,451	1,376
Event venues ³	4,435	4,228	4,228	4,122
Total activity expenditure	9,714	9,859	9,843	9,758
Activity revenue				
Pools ⁴	1,725	1,252	1,362	1,281
Programmes and events	422	442	442	392
Event venues ³	1,913	1,192	1,192	1,624
Total activity revenue	4,060	2,886	2,996	3,297
Net cost of operations	5,654	6,973	6,847	6,461
Capital Expenditure				
Renewals	1,290	664	413	1,036
Service level improvements	183	151	83	282
Growth	2	5	-	-
Total capital expenditure⁵	1,475	820	496	1,318

Budget variations

- ¹ Pools expenditure reduced due to closure of indoor pool for over four months.
- ² Management of Home and Lifestyle Expo brought in-house, savings in Festival of Lights operations.
- ³ Increase in venues business resulted in higher costs but were more than offset with greater revenue.
- ⁴ Pools revenue largely unaffected by closure due to increased utilisation of outdoor pools and excellent summer weather.
- ⁵ Balance of capital variance required has been funded by a grant and insurance reserves.

Recreation and Events



Funding Impact Statement for the year ended 30 June 2015

	Actual 2013/14 (\$000)	LTP 2013/14 (\$000)	LTP 2012/13 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	6,109	7,614	7,533
Targeted rates	-	-	-
Subsidies and grants for operating purposes	801	354	354
Fees and charges	2,694	2,477	2,370
Internal charges and overheads recovered	810	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	10,414	10,445	10,257
Applications of operating funding			
Payments to staff and suppliers	(4,817)	(6,213)	(6,043)
Finance costs	-	-	-
Internal charges and overheads applied	(4,460)	(2,882)	(2,917)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(9,277)	(9,095)	(8,960)
Surplus (deficit) of operating funding (A - B)	1,137	1,350	1,297
Sources of capital funding			
Subsidies and grants for capital expenditure	565	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	106	(175)	(64)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	671	(175)	(64)
Application of capital funding			
Capital expenditure			
- to meet additional demand	(2)	-	(11)
- to improve the level of service	(183)	(87)	(179)
- to replace existing assets	(1,290)	(1,226)	(1,044)
Increase (decrease) in reserves	(333)	138	1
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(1,808)	(1,175)	(1,233)
Surplus (deficit) of capital funding (C - D)	(1,137)	(1,350)	(1,297)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 5(4), Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense

Depreciation expense	1,247	1,504	1,447
Less deferred/unfunded	(188)	(241)	(234)
Net funding transferred to renewals reserves	1,059	1,263	1,213

Regulatory Services



Responsibility

Manager Customer and Regulatory Services and District Planner

What we deliver

The Council's Regulatory Services includes the review of, and changes to, the District Plan, land use and subdivision consents, complaints and monitoring, District Plan administration, building control, environmental health, animal control, parking, alcohol and food licensing and control and bylaw enforcement. The service also includes the provision of information and education on policy, bylaws, regulations and the District Plan.

Why we do it

To contribute to a safe and progressive community and to maintain a safe, enjoyable living and working environment in the district.

Significant challenges during the year

- Project planning for significant change for impending implementation of Food Act 2014 effective from 1 March 2016.
- Building Control Authority re-accreditation achieved in December 2014 no corrective actions recommended.
- First full year of operation under Sale and Supply of Alcohol Act 2012, District Licensing Committee and development of Local Alcohol Policy.
- Initiation of District Plan review and adoption of Blueprint key directions.

Major projects

For any significant capital projects relevant to Regulatory Services, refer to Note 40.

Regulatory Services



Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Ensure that all animal control processes contribute to a safe and healthy community.	Percentage of known dogs registered.	95%	Achieved 98%.	Achieved 95%.
	Percentage of community satisfied with animal control (NRB survey).	Exceeds peer group average	Achieved 88% satisfaction against 79% peer group average (81% satisfaction against 74% peer group average when don't know responses are included).	Achieved 95% satisfaction against 80% peer group average (86% satisfaction against 73% peer group average when don't know responses are included).
Maximise use of on-street car parking space.	Average rate of occupation of CBD on-street parking spaces.	85%	Not achieved 43%	Not achieved 47% includes paid parking, time restricted, loading zones and mobility parking. Paid parking average is 70% occupancy.
The health and safety of the public is protected by ensuring food premises meet required standards.	Percentage of premises inspected with no remedial steps required.	95%	Achieved 96%. No closure of food premises required.	Achieved 98%.
Ensure alcohol licensed premises comply with statutory and licence provisions.	Percentage of alcohol licences that comply with statutory and licence provisions (as a result of inspections, complaints and Controlled Purchase Operations).	95%	Achieved 99%	Achieved 95%
Customers are satisfied with building consent service.	Percentage of customers using building consent processes are satisfied with the service provided.	80%	Achieved 94%	Achieved 94%
Ensure customers are satisfied with access to information on Regulatory Services.	Percentage of customers accessing information on regulatory processes are satisfied with the service provided (in-house survey).	80%	Achieved 95%	Achieved 96%

Regulatory Services



Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Ensure customers are satisfied with resource consent services.	Percentage of customers using resource consent processes are satisfied with the service provided.	80%	Not achieved 60% based on a very small sample. Only 5 of the 36 invited Consents customers participated. Comments received seek improved access to in-house planners and timely communications.	Achieved 100% (including neutral responses)
Consents are processed within statutory timeframes.	Percentage of building consent applications processed within the statutory timeframes.	100%	Achieved	Not achieved 99.7% One building consent exceeded the statutory timeframe
	Percentage of all non-notified land use and subdivision consents are processed within statutory timeframe.	100%	Not achieved 98%. Five subdivision and one land use consents exceeded timeframe.	Not achieved 98.5%. Four subdivision and one land use consents exceeded timeframe.
Major projects are completed on time and within budget.	Major projects are completed on time.	Annual work programme achieved	Not achieved Zeroing out of parking machines on hold due to technical difficulties.	Not achieved Zeroing out of parking machines on hold due to technical difficulties.
	Major projects are completed within budget.	Annual work programme achieved within budget	Achieved Sale and Supply of Alcohol legislation successfully implemented.	Achieved Implementaiton of Food Act and Resource Management Act changes in progress.

Regulatory Services



Cost of Service Statement for the year ended 30 June 2015

The table below provides, in a standard accounting format, what the Regulatory Services activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2014/15 (\$000)	Adj Budget 2014/15 (\$000)	Budget 2014/15 (\$000)	Actual 2013/14 (\$000)
Activity expenditure				
Animal control ¹	1,011	1,167	1,167	1,206
Buildings consents ²	3,254	3,433	3,433	3,374
Environmental strategy and policy	1,250	1,471	1,431	1,325
Resource consents	2,211	2,153	2,153	2,396
Environmental health	891	966	966	931
Parking ³	1,926	2,140	2,074	2,109
Total activity expenditure	10,543	11,330	11,224	11,341
Activity revenue				
Animal control	873	924	924	840
Buildings consents	2,501	2,715	2,715	2,939
Environmental strategy and policy	-	-	-	9
Resource consents	2,842	1,770	1,770	2,831
Environmental health	548	585	585	403
Parking	3,625	3,548	3,481	3,455
Total activity revenue	10,389	9,542	9,475	10,477
Net cost of operations	154	1,788	1,749	864
Capital Expenditure				
Renewals	5	16	16	45
Service level improvements	3	11	11	9
Growth	-	-	-	2
Total capital expenditure	8	27	27	56

Budget variations

¹ Two vacancies were not filled during the year due to vacancy management.

² Internal overhead charges significantly less than budget.

³ Internal overhead charges less than budget. Stable maintenance costs with new technology now embedded.

Regulatory Services



Funding Impact Statement for the year ended 30 June 2015

	Actual 2014/15 (\$000)	LTP 2014/15 (\$000)	LTP 2013/14 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	1,639	2,380	2,288
Targeted rates	46	34	34
Subsidies and grants for operating purposes	-	-	-
Fees and charges	7,806	6,871	6,843
Internal charges and overheads recovered	123	400	388
Local authorities fuel tax, fines, infringement fees, and other receipts	982	1,779	1,724
Total operating funding (A)	10,596	11,464	11,277
Applications of operating funding			
Payments to staff and suppliers	(6,100)	(6,604)	(6,546)
Finance costs	-	-	-
Internal charges and overheads applied	(4,286)	(4,615)	(4,494)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(10,386)	(11,219)	(11,040)
Surplus (deficit) of operating funding (A - B)	210	245	237
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	1,554	710	688
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	1,554	710	688
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	(3)	(11)	(11)
- to replace existing assets	(5)	(16)	(58)
Increase (decrease) in reserves	(1,756)	(928)	(856)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(1,764)	(955)	(925)
Surplus (deficit) of capital funding (C - D)	(210)	(245)	(237)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 5(4), Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense

Depreciation expense	279	194	186
Less deferred/unfunded	(72)	(23)	(22)
Net funding transferred to renewals reserves	207	171	164

Economic Development



Responsibility

Manager Corporate Strategy and Policy

What we deliver

New Plymouth District Council contributes to economic development in a number of ways including district planning, recreation and entertainment facilities, parking management, and the provision of roads and infrastructure. In addition, the Council undertakes specific initiatives such as art and cultural services, and the provision of, or support for, events. The Council funds and oversees the Venture Taranaki Trust (VTT) for delivery of the district's economic development services including the regional tourism contract. VTT also provides leadership and support for strategies that create a vibrant and prosperous economy; promotion, support and guidance for business growth, investment and employment opportunities; and support for the district's commercial enterprises.

Why we do it

To maintain and develop the district as an attractive place for people to visit, live and enjoy a prosperous and sustainable economic future.

Significant challenges during the year

The Council resolved to review the economic development services provided by VTT to New Plymouth District Council on 19 May 2015. This will be undertaken from the perspective of cost effectiveness of the service in accordance with section 17A of the Local Government Act. The report and recommendations will be presented to the Council early 2016.

Major projects

For any significant capital projects relevant to Economic Development, refer to Note 40.

Economic Development



Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Promote New Plymouth District and the Taranaki region as a vibrant and desirable place to live, work and visit.	Attract or retain major events.	3 major events	Achieved (target 5) 12 events. Events contracted included AmeriCARna, Taranaki Steelformers Around the Mountain Relay, NZ Tattoo & Art Festival, Tenix Taranaki Cycle Challenge Around the Mountain, Tropfest, Wells New Plymouth Half Ironman, Lionel Richie and John Farnham 'All the Hits, All Night Long', ITU World Cup Sprint Distance Race, New Zealand Surf Festival, Powerco Garden Spectacular, Taranaki Cycle.	Achieved 10 events. Events contracted included International Festival of the Arts, Powerco Garden Spectacular 2015, NZ Home Loans Surf Festival, Wells Half Ironman, Sting and Paul Simon, WOMAD, TropFest, AmeriCARna, Steelformers Around the Mountain Relay and ITU NP Sprint Triathlon World Cup 2015.
Facilitate, promote, encourage and support sustainable business growth, investment and employment opportunities in Taranaki.	Amount of investment into regional businesses per year, subject to central government policy.	\$500,000	Achieved \$1,963,383 of research and development investments approved into region's businesses in 2013/14 year (across 31 approvals).	Achieved \$1,401,192 of research and development funding approved across 39 grants.
	Client satisfaction with business support services provided per year.	>80%	Achieved 90% client satisfaction with Venture Taranaki business services.	Achieved 91.2% satisfied or very satisfied with Venture Taranaki business services.
	Level of investment in management capability building per year for Taranaki's Small and Medium Size Enterprises.	\$140,000	Achieved \$331,402 of investment approved into region's businesses in 2013/14 year (across 225 vouchers).	Achieved \$341,444 of capability development funding was invested into the region in the 2014/15 year (across 225 vouchers).

Economic Development



Cost of Service Statement for the year ended 30 June 2015

The table below provides, in a standard accounting format, what the Economic Development activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2014/15 (\$000)	Adj Budget 2014/15 (\$000)	Budget 2014/15 (\$000)	Actual 2013/14 (\$000)
Activity expenditure				
Economic development	2,062	2,062	2,062	2,812
Events funding	699	696	696	-
Total activity expenditure	2,761	2,758	2,758	2,812
Total activity revenue	-	-	-	-
Net cost of operations	2,761	2,758	2,758	2,812
Capital Expenditure				
Renewals	-	-	-	-
Service level improvements	-	-	-	-
Growth	-	-	-	-
Total capital expenditure	-	-	-	-

Economic Development



Funding Impact Statement for the year ended 30 June 2014

	Actual 2014/15 (\$000)	LTP 2014/15 (\$000)	LTP 2013/14 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	2,761	3,134	3,039
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	2,761	3,134	3,039
Applications of operating funding			
Payments to staff and suppliers	(2,706)	(3,060)	(2,965)
Finance costs	-	-	-
Internal charges and overheads applied	(55)	(74)	(74)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(2,761)	(3,134)	(3,039)
Surplus (deficit) of operating funding (A - B)	-	-	-
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	-	-	-
Surplus (deficit) of capital funding (C - D)	-	-	-
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 5(4), Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense

Depreciation expense	-	-	-
Less deferred/unfunded	-	-	-
Net funding transferred to renewals reserves	-	-	-

Civic and Democracy Services



Responsibility

Manager Democratic Services

What we deliver

This service provides administrative, secretarial and support services to the elected Council, community boards, committees and working parties. It also manages local elections.

Why we do it

To ensure the effective operation of the Council's decision-making process.

Significant challenges during the year

Unanticipated by-elections (two councillors) and one poll on whether to establish a Māori ward.

Major projects

There are no major capital projects relevant to Civic and Democracy Services.

Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Properly manage local elections.	Elections and polls will comply with the provisions of the Local Electoral Act 2001 with no successful petitions for inquiry into the conduct of elections.	*	Full compliance	Full compliance By-elections and one poll.
Compliance with statutory deadlines.	Long-Term Plan, Annual Plan and Annual Report will all be adopted within timeframes set in the Local Government Act 2002.	Full compliance	Achieved	Achieved
	Meeting agendas will be available as specified by legislation.	Full compliance	Achieved	Achieved

* No triennial elections in this year.

Civic and Democracy Services



Cost of Service Statement for the year ended 30 June 2015

The table below provides, in a standard accounting format, what the Civic and Democracy Services activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2014/15 (\$000)	Adj Budget 2014/15 (\$000)	Budget 2014/15 (\$000)	Actual 2013/14 (\$000)
Activity expenditure ¹	5,658	5,960	5,960	5,801
Operating revenue	11	3	3	229
Net cost of operations	5,647	5,957	5,957	5,572
Capital Expenditure				
Renewals	-	-	-	-
Service level improvements	-	-	-	-
Growth	-	-	-	-
Total capital expenditure	-	-	-	-

¹ Savings were made against budget primarily related to a reduction in internal support charges.

Civic and Democracy Services



Funding Impact Statement for the year ended 30 June 2015

	Actual 2014/15 (\$000)	LTP 2014/15 (\$000)	LTP 2013/14 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	5,694	5,980	5,821
Targeted rates	-	-	-
Subsidies and grants for operating purposes	4	-	-
Fees and charges	8	3	137
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	5,706	5,983	5,958
Applications of operating funding			
Payments to staff and suppliers	(2,129)	(1,816)	(2,048)
Finance costs	-	-	-
Internal charges and overheads applied	(3,529)	(4,119)	(4,004)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(5,658)	(5,935)	(6,052)
Surplus (deficit) of operating funding (A - B)	48	48	(94)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	(48)	(48)	94
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(48)	(48)	94
Surplus (deficit) of capital funding (C - D)	(48)	(48)	94
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 5(4), Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense

Depreciation expense	-	-	-
Less deferred/unfunded	-	-	-
Net funding transferred to renewals reserves	-	-	-

Management of Investments and Funding



Responsibility

Group Manager Business Performance

What we deliver

The Council's management of all Council-owned investments, income not assignable to other activities and management of the Council's borrowing requirements. This includes the Council's Perpetual Investment Fund (PIF) (managed by contract with Taranaki Investment Management Limited), a 50 per cent ownership of New Plymouth Airport Joint Venture, administration of 1,500 property leases and agreements, production forestry on Council-owned land, four joint venture forestry investments and minor equity investments in Civic Assurance Limited and the Local Government Funding Agency.

Why we do it

To protect and develop key funding sources for the Council.

Significant challenges during the year

The biggest challenge during the year was for the Council to take the last step in reducing the PIF dividend release to the Council to an ongoing sustainable level during the development of the Long-Term Plan 2015-2025. The release was rebased to 3.3 per cent of the closing value of the fund as at 30 June 2014, reducing the release from \$9.1m to \$7.36m for the first year of the LTP.

Internal Borrowing

The Council borrows for long life assets (assets with a life greater than 10 years). Assets with lives less than 10 years are rates funded. The Council runs a centralised treasury function which manages borrowing, investments and liquidity for all Council activities; ensuring borrowing is managed in line with the Treasury Management Policy.

Borrowing for targeted rate areas including Waste Water, Solid Waste and Water are based on the long life infrastructural assets they have built, and are treated as externally borrowed funds and charged and rated accordingly. The borrowing for the general rate funding activities flows through investment management. General rate areas including Parks, Roads, Recreation and Events etc borrow based on the same rules of borrowing for long life assets.

As the Council manages all funding and liquidity as a centralised function ensuring cash and borrowing resources are used in an optimal manner, there is an element of funding per activity which at times, is effectively internally borrowed as excess reserve funds are sometimes used instead of borrowing externally.

Major projects

For any significant capital projects relevant to Management of Investments and Funding, refer to Note 40.

Management of Investments and Funding



Levels of service and performance information

Level of Service	Performance Measure	Target	Results/Comments 2013/14	Results/Comments 2014/15
Manage the Perpetual Investment Fund (PIF) to provide sustainable revenue flows to the Council.	A release to the Council before costs of Taranaki Investment Management Limited as release rule covers both from the PIF in accordance with the release rule*.	\$9.1m	\$5.02m (target \$10.4m) Due largely to the Council's strong cash position where net debt was better than budget by \$43m, the Council made the decision to defer quarters 3 and 4 of the release from the PIF.	\$6.8m Due largely to the Council's strong cash position where external borrowings was \$15m less than budget, the Council made the decision to cancel the fourth quarter release of \$2.27m.
Manage the Council's borrowing programme in compliance with the Liability Management Policy.	Debt levels and costs within limits set by policy.	All measures met	All measures met	All measures met
	Gross debt not to exceed 20 per cent of total assets.	All measures met	All measures met	All measures met
	Net debt not to exceed 135 per cent of total revenues including rates.	All measures met	All measures met	All measures met
	Pre-tax funds from operations to exceed net interest expense by at least 2.5 times.	All measures met	All measures met	All measures met

* The release rule for the PIF is a formula that determines the annual release to be made from the PIF ahead of the year it will apply to. It has three components:

1. Eighty per cent of the previous year's release, inflation adjusted for the year prior to that to be budgeted for; plus
2. Twenty per cent of a 3.3 per cent portion of the year-end audited capital value of the PIF, inflation adjusted for the year prior to that to be budgeted for.

The 3.3 per cent is a long-term release target that strikes a balance between the sustainability of the annual release and the real capital value of the PIF.

3. The introduction of a four per cent cap, whereby once the target release is reached in three years, future releases from the fund will be capped at four per cent of the previous year's audited value of the Fund.

The release rule smooths the potential annual fluctuations that would otherwise occur if a straight percentage of annual value was used. As such it provides greater certainty for the Council on annual release levels for budgeting purposes.

Management of Investments and Funding



Cost of Service Statement for the year ended 30 June 2015

The table below provides, in a standard accounting format, what the Management of Investments and Funding activity cost in comparison to what it was budgeted to cost at the beginning of the financial year. Year to year running (operating costs) and revenues are separated from physical capital investment costs.

	Actual 2014/15 (\$000)	Adj Budget 2014/15 (\$000)	Budget 2014/15 (\$000)	Actual 2013/14 (\$000)
Activity expenditure				
Investment management ¹	(406)	2,026	2,026	822
Afforestation	206	214	214	1,401
Afforestation joint ventures ²	33	1,479	1,479	33
Operational property ³	5,496	2,338	2,338	2,174
Total activity expenditure	5,329	6,057	6,057	4,430
Activity revenue				
Investment management ⁴	10,761	12,555	12,555	10,949
Afforestation	244	1	1	1,010
Afforestation joint ventures ²	-	2,128	2,128	-
Operational property ³	5,999	3,080	3,080	2,573
Total activity revenue	17,004	17,764	17,764	14,532
Net cost of operations	(11,675)	(11,707)	(11,707)	(10,102)
Capital Expenditure				
Renewals	-	-	-	-
Service level improvements	-	-	-	-
Growth	-	-	-	-
Total capital expenditure	-	-	-	-

Budget variations

- ¹ Investment management operating expenditure is less than budget due to lower external interest costs resulting from lower borrowing due to capital works programme behind plan in some areas. Interest rates were also lower than budget.
- ² Due to very low log prices the decision was made not to harvest the Ōākura Farms Joint Venture. Harvest will occur in the 2015/16 financial year.
- ³ Expenditure of \$3.7m relates to the development work associated with the Yarrow Stadium roof development, on behalf of the Yarrow Stadium Trust. This expenditure is fully reimbursed which is included in operational property revenue.
- ⁴ Lower than budget as the Council decided to not draw down the fourth quarter release of \$2.27m in the PIF as the Council's funding position was stronger than expected.

Management of Investments and Funding



Funding Impact Statement for the year ended 30 June 2015

	Actual 2014/15 (\$000)	LTP 2014/15 (\$000)	LTP 2013/14 (\$000)
Sources of operating funding			
General rates, uniform annual charges, rates penalties	(11,625)	(18,557)	(19,969)
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	1
Internal charges and overheads recovered	5,990	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	16,525	23,058	23,488
Total operating funding (A)	10,890	4,501	3,520
Applications of operating funding			
Payments to staff and suppliers	(6,192)	(2,572)	(2,498)
Finance costs	(6,344)	1,491	1,450
Internal charges and overheads applied	(1,192)	(1,243)	(1,214)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	(13,728)	(2,324)	(2,262)
Surplus (deficit) of operating funding (A - B)	(2,838)	2,177	1,258
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	260	31	1,667
Gross proceeds from sale of assets	1,247	1,351	1,223
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	1,507	1,382	2,890
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	1,331	(1,701)	(876)
Increase (decrease) of investments	-	(1,858)	(3,272)
Total applications of capital funding (D)	1,331	(3,559)	(4,148)
Surplus (deficit) of capital funding (C - D)	2,838	(2,177)	(1,256)
Funding balance ((A - B) + (C - D))	-	-	-

Other Information to be Provided

Clause 5(4), Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense

Depreciation expense	5	5	27
Less deferred/unfunded	(2,539)	(126)	(144)
Net funding transferred to renewals reserves	(2,534)	(121)	(117)





Section 3 **Financial Statements**

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Statement of Compliance and Responsibility



Compliance

The Council and management of New Plymouth District Council confirm that all the statutory requirements of Section 98 of the Local Government Act 2002 have been complied with.

Responsibility

The Council and management of New Plymouth District Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.

The Council and management of New Plymouth District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of New Plymouth District Council, the annual financial statements for the year ended 30 June 2015 fairly reflect the financial position, operations and service performance of New Plymouth District Council.

Mayor
Andrew Judd

Chief Executive
Barbara McKerrow

Financial Statements



Statement of Comprehensive Revenue and Expense for the year ended 30 June 2015

These financial statements should be read in conjunction with the notes and accounting policies.

	Note	Council		Group		
		2014/15 Actual (\$000)	2014/15 Budget (\$000)	2013/14 Actual (\$000)	2014/15 Actual (\$000)	2013/14 Actual (\$000)
Operating revenue						
<i>Revenue from exchange transactions:</i>						
Finance revenue	2	2,242	1,740	1,839	2,278	1,839
Investment revenue	3	44,242	14,650	14,350	7,517	14,350
Other operating revenue	4	30,536	28,182	34,513	30,318	34,356
<i>Revenue from non-exchange transactions:</i>						
Rates	5	74,715	74,138	73,007	74,715	73,007
Subsidies and grants	8	15,132	14,870	13,360	15,346	13,360
Development and financial contributions		1,554	700	1,550	1,554	1,550
Vested assets		4,111	3,000	2,828	4,111	2,828
Fines and levies		1,498	2,100	931	1,498	931
Total operating revenue		174,030	139,380	142,378	137,337	142,221
Operating expenditure						
Personnel costs	9	35,106	35,720	35,266	37,131	35,266
Other operating expenses	10	57,191	52,970	56,908	55,431	53,684
Depreciation and amortisation expenses	11	30,859	32,010	31,280	30,859	31,280
Finance costs	12	5,923	8,330	6,141	5,923	6,256
Total operating expenditure		129,079	129,030	129,595	129,344	126,486
Surplus/(deficit) before taxation		44,951	10,350	12,783	7,993	15,735
Taxation (expense)/refund	13	25	-	(3)	25	(3)
SURPLUS/(DEFICIT) AFTER TAXATION FROM CONTINUED OPERATIONS		44,976	10,350	12,780	8,018	15,732
Surplus/(deficit) after taxation from discontinued operations	43	-	-	-	2,999	8,106
SURPLUS/(DEFICIT) AFTER TAXATION		44,976	10,350	12,780	11,017	23,838
<i>Comprising surplus/(deficit) attributable to:</i>						
Parent interest		44,976	10,350	12,780	11,017	22,748
Minority interest in surplus of subsidiary		-	-	-	-	1,090
Other comprehensive revenue and expense						
Increase/(decrease) asset revaluation reserve		(193)	-	2,820	(193)	5,086
Tax on other comprehensive revenue and expense		-	-	-	24,898	(680)
Foreign currency translation		-	-	-	6,495	(12,449)
Total other comprehensive revenue and expense		(193)	-	2,820	31,200	(8,043)
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		44,783	10,350	15,600	42,217	15,795
<i>Total comprehensive revenue and expense attributable to:</i>						
Parent interest		44,783	10,350	15,600	42,217	16,127
Minority interest in surplus of subsidiary		-	-	-	-	(332)

Explanation of major variances against budget are included in Note 39.

Financial Statements



Statement of Financial Position as at 30 June 2015

These financial statements should be read in conjunction with the notes and accounting policies.

	Note	Council			Group	
		2014/15 Actual (\$000)	2014/15 Budget (\$000)	2013/14 Actual (\$000)	2014/15 Actual (\$000)	2013/14 Actual (\$000)
Current assets						
Cash and cash equivalents	14	16,035	(3,600)	6,242	17,091	6,988
Trade and other receivables	15	17,819	9,300	12,125	25,726	20,399
Inventory		117	120	99	158	149
Livestock and agricultural produce	21	-	-	-	9,561	9,111
Other financial assets	16	30,878	25,000	37,738	30,878	37,738
Derivative financial assets	37	42	-	-	42	-
Non-current assets held for sale	23	167,375	3,340	1,932	244,756	1,932
Total current assets		232,266	34,160	58,136	328,212	76,317
Non-current assets						
Other financial assets	16	92,447	69,220	90,802	92,447	90,823
Tasmanian Land Company Limited	17	-	156,530	131,535	-	-
Intangible assets	19	2,931	1,910	2,646	2,992	2,666
Forestry assets	20	3,346	3,590	3,069	3,346	3,069
Livestock and agricultural produce	21	-	-	-	-	32,446
Memorabilia		-	-	-	-	1,576
Derivative financial assets	37	910	800	1,321	910	1,321
Deferred tax	13	3	(370)	3	3	3
Property, plant and equipment	22	1,990,368	2,026,390	1,979,334	1,990,580	2,180,681
Total non-current assets		2,090,005	2,258,070	2,208,710	2,090,278	2,312,585
TOTAL ASSETS		2,322,271	2,292,230	2,266,846	2,418,490	2,388,902

Financial Statements



	Note	Council			Group	
		2014/15 Actual (\$000)	2014/15 Budget (\$000)	2013/14 Actual (\$000)	2014/15 Actual (\$000)	2013/14 Actual (\$000)
Current liabilities						
Trade and other payables	24	23,939	21,620	19,722	31,446	29,619
Public debt and other loans	25	47,650	36,330	37,304	120,508	106,958
Landfill aftercare provision	27	110	-	103	110	103
Deferred tax liability	13	-	-	-	15,471	-
Derivative financial liabilities	37	24	-	52	24	52
Total current liabilities		71,723	57,950	57,181	167,559	136,732
Non-current liabilities						
Employee entitlements		852	1,040	951	852	951
Deferred tax liability	13	1,142	1,220	1,197	1,142	40,588
Derivative financial liabilities	37	5,022	3,290	1,065	5,022	1,065
Landfill aftercare provision	27	1,462	1,180	1,515	1,462	1,515
Public debt and other loans	25	66,000	91,660	73,650	66,000	74,208
Total non-current liabilities		74,478	98,390	78,378	74,478	118,327
TOTAL LIABILITIES		146,201	156,340	135,559	242,037	255,059
Public equity						
Special funds/reserves	28	80,356	56,850	80,297	80,412	80,587
Retained earnings	29	1,497,700	1,475,970	1,452,783	1,398,691	1,382,776
Minority interest		-	-	-	-	1,940
Currency fluctuation reserve		-	-	-	(14,941)	(14,406)
Asset revaluation reserve	30	598,014	603,070	598,207	712,291	682,946
Total public equity		2,176,070	2,135,890	2,131,287	2,176,453	2,133,843
TOTAL EQUITY AND LIABILITIES		2,322,271	2,292,230	2,266,846	2,418,490	2,388,902

Explanation of major variances against budget are included in Note 39.

Financial Statements



Statement of Changes in Equity for the year ended 30 June 2015

These financial statements should be read in conjunction with the notes and accounting policies.

	Council			Group	
	2014/15 Actual (\$000)	2014/15 Budget (\$000)	2013/14 Actual (\$000)	2014/15 Actual (\$000)	2013/14 Actual (\$000)
Equity at the start of the period	2,131,287	2,125,540	2,115,687	2,133,843	2,118,048
Net surplus/(deficit) from continued operations	44,976	10,350	12,780	8,018	15,732
Net surplus/(deficit) from discontinued operations	-	-	-	2,999	8,106
Other comprehensive revenue and expense	(193)	-	2,820	31,200	(8,043)
Total comprehensive revenue and expense	44,783	10,350	15,600	42,217	15,795
Share issue	-	-	-	3,365	-
Purchase of minority interest	-	-	-	(2,973)	-
EQUITY AT THE END OF THE PERIOD	2,176,070	2,135,890	2,131,287	2,176,453	2,133,843
<i>Total comprehensive revenue and expense attributable to:</i>					
Parent interest	44,783	10,350	15,600	42,217	16,127
Minority interest in surplus of subsidiary	-	-	-	-	(332)

Explanation of major variances against budget are included in Note 39.

Financial Statements



Statement of Cash Flows for the year ended 30 June 2015

These financial statements should be read in conjunction with the notes and accounting policies

	Note	Council		Group		
		2014/15 Actual (\$000)	2014/15 Budget (\$000)	2013/14 Actual (\$000)	2014/15 Actual (\$000)	2013/14 Actual (\$000)
Cash flows from operating activities						
Cash was provided from:						
Rates		74,781	74,098	72,915	74,781	72,915
Interest revenue		2,761	1,740	1,605	2,801	1,647
Dividends		5,821	9,070	2,102	5,821	2,102
Other revenue		52,185	45,362	43,180	105,880	93,658
		135,548	130,270	119,802	189,283	170,322
Cash was applied to:						
Payments to suppliers and employees		92,536	84,630	89,090	141,039	131,550
Net GST		450	-	(108)	383	(174)
Payment of tax		30	-	-	30	-
Interest paid		5,988	8,330	6,708	9,250	11,503
		99,004	92,960	95,690	150,702	142,879
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	31	36,544	37,310	24,112	38,581	27,443
Cash flows from investing activities						
Cash was provided from:						
Sale of property, plant and equipment		1,634	3,160	4,936	1,705	4,965
Sale of dairy stock		-	-	-	2,274	4,730
Sale of other financial assets		147,986	-	11,774	147,986	11,774
		149,620	3,160	16,710	151,965	21,469
Cash was applied to:						
Purchase of property, plant and equipment		36,672	45,380	31,183	38,429	32,815
Purchase of dairy stock		-	-	-	215	3,283
Purchase of intangible assets		1,269	-	1,619	1,332	1,621
Purchase of other financial assets		141,126	-	15,417	141,126	15,417
		179,067	45,380	48,219	181,102	53,136
NET CASH INFLOW (OUTFLOW)FROM INVESTING ACTIVITIES		(29,447)	(42,220)	(31,509)	(29,137)	(31,667)

Financial Statements



	Note	Council		Group		
		2014/15 Actual (\$000)	2014/15 Budget (\$000)	2013/14 Actual (\$000)	2014/15 Actual (\$000)	2013/14 Actual (\$000)
Cash flows from financing activities						
Cash was provided from:						
Loans raised		37,000	10,540	65,000	37,660	135,537
Cash was applied to:						
Loans repaid		34,304	4,510	64,400	37,000	137,798
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		2,696	6,030	600	660	(2,261)
Overall increase (decrease) in cash held		9,793	1,120	(6,797)	10,104	(6,485)
<i>plus</i> opening balance		6,242	(4,720)	13,039	6,987	13,473
CASH BALANCE AT 30 JUNE		16,035	(3,600)	6,242	17,091	6,988
Summary of cash resources:						
Cash at bank and on hand		7,035	(3,600)	1,842	8,091	2,588
Term deposits with maturity less than three months		9,000	-	4,400	9,000	4,400
TOTAL CASH HELD AT 30 JUNE		16,035	(3,600)	6,242	17,091	6,988

Net GST. This is the amount paid to Inland Revenue less refunds in respect of Goods and Services Tax.

Explanation of major variances against budget are included in Note 39.

Financial Statements



Funding Impact Statement for the year ended 30 June 2015

The following information is required under Schedule 10, clause 30 of the Local Government Act 2002.

	Actual 2014/15 (\$000)	A/Plan 2014/15 (\$000)	Actual 2013/14 (\$000)	A/Plan 2013/14 (\$000)
Sources of operating funding				
General rates, uniform annual charges, rates penalties	47,710	46,810	45,320	44,920
Targeted rates	27,990	27,540	25,520	25,110
Subsidies and grants for operating purposes	5,160	5,510	4,900	5,550
Fees and charges	24,010	20,910	26,890	24,060
Interest and dividends from investments	8,580	10,810	9,380	11,900
Local authorities fuel tax, fines, infringement fees, and other receipts	9,040	9,090	6,570	6,280
Total operating funding (A)	122,490	120,670	118,580	117,820
Applications of operating funding				
Payments to staff and suppliers	(87,080)	(88,680)	(84,110)	(87,270)
Finance costs	(5,920)	(8,330)	(8,820)	(8,750)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	(93,000)	(97,010)	(92,930)	(96,020)
Surplus/(deficit) of operating funding (A - B)	29,490	23,660	25,650	21,800
Sources of capital funding				
Subsidies and grants for capital expenditure	9,970	9,430	8,460	7,780
Development and financial contributions	1,550	700	1,550	690
Increase/(decrease) in debt	2,700	4,170	(9,370)	5,170
Gross proceeds from sale of assets	1,600	1,810	4,300	1,490
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	15,820	16,110	4,940	15,130
Application of capital funding				
Capital expenditure:				
- to meet additional demand	(1,110)	(4,070)	(880)	(3,770)
- to improve the level of service	(17,590)	(16,850)	(14,000)	(15,090)
- to replace existing assets	(23,680)	(21,560)	(20,500)	(20,800)
Increase/(decrease) in reserves	(2,930)	5,420	4,790	2,730
Increase/(decrease) of investments	-	(2,710)	-	-
Total applications of capital funding (D)	(45,310)	(39,770)	(30,590)	(36,930)
Surplus/(deficit) of capital funding (C - D)	(29,490)	(23,660)	(25,650)	(21,800)
FUNDING BALANCE ((A - B) + (C - D))	-	-	-	-
Annual Plan variations compared to the Council's Long-Term Plan 2012-2022 for 2014/15 only are explained on the Group Funding Impact Statements.				
Other Information to be Provided - Clause 5(4), Local Government (Financial Reporting and Prudence) Regulations 2014				
Depreciation and amortisation expense				
Depreciation expense	30,560	32,020	29,804	29,810
less deferred/unfunded	(15,690)	(15,690)	(12,730)	(12,590)
NET FUNDING TRANSFERRED TO RENEWALS RESERVES	14,870	16,330	17,074	17,220

Financial Statements



Funding Impact Statement	Actual 2014/15 (\$m)	Actual 2013/14 (\$m)
Reconciliation to Surplus/(Deficit) before Taxation		
Surplus/(deficit) of operating funding (A - B)	29,490	25,650
Subsidies and grants for capital expenditure	9,970	8,460
Development and financial contributions	1,550	1,550
Net Forestry/Airport	49	(28)
Change in accruals	(4,701)	(800)
Vested assets	4,111	2,829
Net Perpetual Investment Fund movement	35,309	5,534
Loss on disposal of assets	(242)	(611)
Depreciation	(30,560)	(29,804)
Surplus/(deficit) before taxation	44,976	12,780



Notes to the Financial Statements

Note 1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

New Plymouth District Council (the Council) is a territorial local authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002 (LG(R)A).

The primary objective of the Council is to provide goods or services for the community, for social benefit rather than financial return.

The Council, its subsidiaries and joint ventures (together the Group) are designated as public benefit entities (PBEs) for financial reporting purposes.

The Council's subsidiaries are established and domiciled in New Zealand, except for Tasmanian Land Company Limited and Group which are incorporated and domiciled in Australia.

The financial statements of the Council and Group are for the year ended 30 June 2015. The financial statements were authorised for issue by the Council on the date they were signed.

Separate financial statements have been prepared for each of the Council-Controlled Organisations for the year ended 30 June 2015.

Basis of Preparation

The financial statements of the Council and Group have been prepared in accordance with the requirements of the LGA, LG(R)A and New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

These financial statements comply with PBE standards.

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. There were no material adjustments arising on transition to the new PBE accounting standards.

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

Measurement Base

The financial statements have been prepared on a historical cost basis modified by revaluation of certain assets and liabilities which is the functional currency of the Council and the presentation currency for the Group.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange on the statement of financial position date.

Translation of the Group's functional currency to presentation currency: All foreign operations are independent. The Statement of Comprehensive Revenue and Expense and Statement of Cash Flows of those operations are translated into NZ\$ (the presentation currency) using the spot exchange rate at the date of the transactions. The Statement of Financial Position of those operations are translated at the exchange rate prevailing at the balance date. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in other comprehensive revenue and expense.

Notes to the Financial Statements



Standards issued and not yet effective and not early adopted

The following Accounting Standards, issued or amended which are applicable to the Group (but not yet effective) have not been adopted for the annual report ended 30 June 2015.

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The Council has applied these standards in preparing the 30 June 2015 financial statements.

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. The Council will apply these updated standards in preparing its 30 June 2016 financial statements. The Council expects there will be minimal or no change in applying these updated accounting standards.

Summary of Significant Accounting Policies

a) Basis of Consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue and expenses on a line-by-line basis. All significant intra-group balances, transactions, revenues and expenses are eliminated on consolidation.

Subsidiaries

The Council consolidates in the Group financial statements all entities where the Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. This power exists where the Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by the Council or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

The Council's investment in the following subsidiaries is carried at cost in the parent entity financial statements:

- Taranaki Investment Management Limited (TIML) - 100% owned and incorporated in New Zealand.
- Venture Taranaki Trust – 100% owned.
- Len Lye Centre Trust – 100% owned.

The Council's investment in the following subsidiary has been classified as a financial asset at fair value through surplus or deficit (refer to Note 1(m) for further details):

- Tasmanian Land Company Limited – 100% owned and incorporated in Australia.

The Tasmanian Land Company Limited (TLC) holds the following interests in other entities:

- Tasman Farms Limited (TFL) – 100% owned and incorporated in New Zealand.
- The Van Diemen's Land Company (VDL) - 1.6% owned and incorporated in the United Kingdom

Tasman Farms Limited holds the remaining 98.4% share of The Van Diemen's Land Company.

The Van Diemen's Land Company has a 100% shareholding in Tasman Farmdale Pty Limited, incorporated in Australia.

TLC through TFL and VDL owns and operates a large scale dairy and pastoral farming business in the north-west of Tasmania. The Council's investment in TLC is part of the Perpetual Investment Fund.

TIML, Venture Taranaki Trust and TLC are Council-controlled Organisations as defined in the LGA.



Notes to the Financial Statements

Joint venture

A joint venture is a binding arrangement whereby two or more parties are committed to undertake an economic activity that is subject to joint control. For jointly controlled operations, the Council and Group recognises in its financial statements the assets it controls, the liabilities and expenses it incurs and the share of revenue it earns from the joint venture. The Council recognises in its parent entity financial statements its share of the assets, liabilities, revenue and expenditure of the airport joint venture and the four forestry joint ventures based on the proportionate method for accounting for joint ventures.

b) Revenue

Revenue is measured at the fair value of consideration received.

The specific accounting policies for significant revenue items are explained below:

- General revenue is recognised at the time of invoicing, performance of service or receipt of application of service or licence, and by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.
- Levies are recognised when assessments are issued.
- Government grants are recognised when eligibility has been established by the granting agency.
- Interest earned is recognised on an accrual basis using the effective interest rate method.
- Dividends are recognised when received or accrued if the record date is 30 June 2015 or prior.
- Vested assets are recognised at fair value when the Council obtains control of the asset.
- Financial contributions are recognised when the service is provided.
- New Zealand Transport Agency roading subsidies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.
- Traffic and parking infringements are recognised when the infringement is issued.
- Revenue from the sale of goods is recognised when a product is sold to the customer.

Rates revenue

- Rating revenue is recognised when assessments are issued or penalties incurred.
- Water billing revenue is recognised on an accrual basis. Unbilled sales, as a result of unread meters at year end, are accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of Taranaki Regional Council (TRC) are not recognised in the financial statements as the Council is acting as an agent for the TRC.

c) Construction Contracts

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred by up to balance date as a percentage of total estimated costs for each contract.

Notes to the Financial Statements



Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract, and an allocation of overhead expenses incurred in connection with the Group's construction activities in general.

An expected loss on construction contracts is recognised immediately as an expense in the surplus or deficit.

d) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

e) Development Expenditure

Development expenditure on items resulting in a future benefit to the Group is capitalised.

f) Tax

Tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of tax payable based on the taxable profit for the current year plus any adjustments to tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are the differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates and interests in joint ventures except where the joint venture can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised using tax rates that have been enacted or substantively enacted by balance date.

Current and deferred tax is recognised against the surplus or deficit except when it relates to items charged or credited directly to equity in which case the tax is dealt with in equity.

g) Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for debtors and other receivables and creditors and other payables, which are presented on a GST-inclusive basis. GST not recoverable as input tax is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.



Notes to the Financial Statements

h) Allocation of Overheads

All overhead expenses have been allocated to significant activities. A variety of methods have been used appropriate to the overhead concerned. Examples include space utilised, staff numbers, transaction numbers, estimate of time and expenditure and funds required from rates.

i) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, which are transferred to entities in the Group, are classified as finance leases. Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

An operating lease is a lease that does not transfer substantially all of the risks and rewards incidental to the ownership of the asset. Operating lease payments are recognised as an expense in the Statement of Comprehensive Revenue and Expenses on a straight line basis over the lease term.

j) Cash and Cash Equivalents

Cash and cash equivalents includes cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments, with maturities of three months and less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

k) Trade and other Receivables

Receivables are recorded at their face value, less any provision for impairments.

l) Derivative Financial Instruments and hedge accounting

The Council uses derivative financial instruments (interest rate swaps) to mitigate its risk associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and subsequently re-measured to fair value. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Swaps are entered into with the objective of reducing the risk of rising interest rates. Any gains or losses arising from the changes in fair value of derivatives are taken directly to surplus or deficit for the year. The fair value of interest rate swaps is determined by reference to market values for similar instruments.

The net differential paid or received on interest rate swaps is recognised as a component of interest expense or interest revenue over the period of the agreement. The Council does not hold or issue derivative financial instruments for trading purposes.

Revenue and expenditure in relation to all financial instruments is recognised in the Statement of Comprehensive Revenue and Expenses. All financial instruments are recognised in the Statement of Financial Position. The Council and its subsidiaries are risk averse and seek to minimise exposure arising from its Treasury activity. Except for those items covered by a separate accounting policy, all financial instruments are shown at their fair value.

m) Other Financial Assets

The Group classifies its financial assets into the following four categories:

- Financial assets at fair value through surplus or deficit;
- Loans and receivables;
- Held-to-maturity investments; and

Notes to the Financial Statements



- Available for sale.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

The four categories of financial assets are explained below:

- Financial assets at fair value through surplus or deficit

A financial asset is classified in this category if acquired principally for the purpose of inclusion in the Council's Perpetual Investment Fund or if so designated by management. Assets in this category are classified as non-current assets as there is no plan to dispose of them within 12 months of the balance sheet date unless market conditions make it profitable, or prudent, to do so.

After initial recognition they are measured at their fair values. Gains or losses on remeasurement are recognised in the surplus or deficit.

Financial assets in this category include quoted shares, bonds, private equity funds and share options.

The Perpetual Investment Fund has been independently valued by Trustee Executors Limited.

Tasmanian Land Company Limited is valued on a market basis. The valuation is based on independent valuations at the balance date by third party valuers of all significant assets (land and buildings and livestock) to determine the market value.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit.

- Held to maturity investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity.

After initial recognition they are measured at historic cost. Gains and losses when the asset is impaired or de-recognised are recognised in the Statement of Comprehensive Revenue and Expense.

Investments in this category include local authority stock and interest bearing bonds.

- Available for sale

Financial assets available for sale are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within 12 months of the balance date or if the debt instrument is not expected to be realised within 12 months of the balance date. The Council and Group includes in this category:

- Investments that it intends to hold long-term but which may be realised before maturity; and
- Shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.



Notes to the Financial Statements

n) Impairment of Financial Assets

The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired. Impairment losses are recognised in the surplus or deficit.

Loans and receivables, and held-to-maturity investments

Impairment is established when there is evidence that the Council and Group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables the carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). Impairment in term deposits, local authority stock, government bonds and community loans are recognised directly against the instrument's carrying amount.

Available for sale financial assets

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default in payments are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

o) Non-current Assets Held for Sale

Properties no longer required in the Council's operations and therefore intended for sale, have been valued at the lower of carrying amount and fair value less selling costs. These are tested for impairment on an annual basis and any write-downs are recognised in the surplus or deficit. Properties intended for sale are not depreciated or amortised.

p) Property, Plant and Equipment (PPE)

All PPE (other than operational plant, vehicles, work-in-progress, furniture and fittings which are not re-valued) are re-valued at fair value by reference to their depreciated replacement cost or market value on a class basis at least every three years. The carrying value of revalued assets are reviewed at each balance date to ensure they are not materially different to fair value. Any surplus arising on revaluation is credited to a revaluation reserve for that class. Any deficit is charged against the revaluation reserve, or if not available, expensed in the Statement of Comprehensive Revenue and Expense.

Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expenses.

Notes to the Financial Statements



- Infrastructural assets are fixed utility systems providing continuing service to the community, e.g. roads, water or sewerage systems. The infrastructural assets are valued at depreciated replacement cost as at 30 June 2013 and will be revalued on the same basis three yearly thereafter. Additions in the intervening years are included at cost.

The valuation of the Council's pool assets was undertaken by Marvin Clough (MPINZ, AAPI) from Beca.

The valuation of the Council's water and wastewater assets was undertaken by Roger Khoo (MPINZ, AAPI) from Beca.

The valuation of parks structures was undertaken by Nick Moon (HNC (UK) Plant Engineering and NZCE Power and Plant) from Spiire.

All other parks assets and roading assets were revalued by Council staff and peer reviewed by Robert Berghuis (APINZ) from Beca.

Roads include derived values for land not held on title (road reserve). The average value of the road reserve is the current average land value calculated for each government roll number. The following factors have been applied:

Unformed roads	80% of average value
Formed roads (urban)	70% of average value
Formed roads (rural)	50% of average value

- Operational assets are tangible assets that are used as part of the normal operations of the Council.
- Plant, vehicles, furniture and fittings were re-valued as at 30 June 1999 at fair value. The Council has ceased to revalue these assets for cost-benefit reasons. Additions to these assets since 30 June 1999 are disclosed at cost.
- Land and buildings have been valued at fair value as at 30 June 2013 by Ian Baker (FNZIV, FPINZ) Registered Valuer from Telfer Young Ltd and will be revalued on the same basis three yearly thereafter by a registered valuer.
- Restricted assets are assets which cannot be disposed of due to legal or other restrictions and that provide a benefit or service to the community.
- The Govett-Brewster Art Gallery collection has been valued at fair value as at 30 June 2014 by Brian Wood from Webb's and will be valued by suitably qualified experts on a three yearly basis thereafter.
- The Puke Ariki book and museum collections have been valued as at 30 June 2014 by Dr Robin Watt (MA (Hons) Ph.D) from R J Watt and Associates and will be valued by a suitable expert on a three yearly basis thereafter. The heritage book collection has been valued at replacement cost and the general in use collection has been valued at depreciated replacement cost.
- Restricted land has been valued at fair value as at 30 June 2013 by Ian Baker (FNZIV, FPINZ) Registered Valuer from Telfer Young Ltd and will be valued on the same basis three yearly thereafter by a registered valuer.
- Work in progress has been valued at cost less impairment and is not depreciated.
- Airport Property, Plant and Equipment have been valued at fair value as at 30 June 2013 by Ian Baker (FNZIV, FPINZ) Registered Valuer from Telfer Young Ltd and will be revalued at not more than three yearly intervals by a registered valuer.
- Venture Taranaki Trust and Group Property, Plant and Equipment are stated at cost less accumulated depreciation.

Notes to the Financial Statements



- **Tasmanian Land Company Limited:** Properties included in the financial statements are carried at their fair value as a combination of assets (being the amount for which the combination of assets could be exchanged between knowledgeable willing parties in an arm's-length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings. The Directors have determined the valuation after consideration of a range of factors, including external valuations, status of land clearance approvals and relevant market transactions. The Directors have decided to hold the portfolio valuation as prepared by CBRE Australia as at 31 May 2014. The balance as at 31 May 2015 is the valuation plus additions, less disposals and depreciation incurred throughout the 2015 financial year. Rabobank Australia Limited holds a registered mortgage over the property, and a registered equitable mortgage over the assets.

q) Additions

The cost of an item of Property, Plant and Equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and Group and the cost of the item can be measured reliably.

In most instances, an item of Property, Plant and Equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

r) Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Revenue and Expenses. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

s) Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and Group and the cost of the item can be measured reliably.

t) Depreciation

- Operational Assets are depreciated on a straight-line basis on the following rates:

Buildings	1% to 5%	20 to 100 years
Plant and machinery	5% to 33%	3 to 20 years
Furniture, fittings and equipment	10% to 33%	3 to 10 years

The Puke Ariki library heritage collection is not depreciated as it is Council policy to maintain the collection in its current state. The general in-use collection is depreciated on a straight-line basis over 2-15 years.

The museum/art gallery collections are heritage assets and are not depreciated as it is Council policy to maintain the collections in their current state.

Land is not depreciated.

Notes to the Financial Statements



- Infrastructural assets are depreciated on a straight-line basis. The useful lives are as follows:

	(years)
Roads	
top surface	5-25
basecourse and first coat seals	15-80
water channel	40-80
culverts	40-80
footpaths/crossings	10-100
kerbs	40-80
signs	5-10
traffic signals	10-30
streetlights	30-40
road structures	40-100
Water	
pipes	50-120
pump stations	30-80
reservoirs	30-100
treatment plants - civil	30-100
treatment plants - mechanical	10-40
Sewerage	
pipes	50-140
manholes	60-80
treatment plants - civil	30-100
treatment plants - mechanical	10-40
pumping stations - civil	30-80
pumping stations - mechanical	10-40
outfalls	60-100
Stormwater Systems	
pipes	50-140
manholes	60-80
Flood Control Systems	
dams	100-200
tunnels	100-200
channels	50-100
Landfill and Transfer Stations	
operating landfill sites	10-20
closed landfill sites	25-50
transfer stations	50-75
Foreshore Protection	30-100

Notes to the Financial Statements



(years)

Airport property, plant and equipment depreciated on a straight-line basis on the following rates:

buildings	4-50
furniture and fittings	3-25
general services	5-100
runway	5-100
vehicles, plant and machinery	6-20

Venture Taranaki Trust and Group Property, Plant and Equipment are depreciated on a straight-line basis on the following rates:

furniture and fittings	10
office equipment	3-5
motor vehicles	3
IS equipment	4-10
IS software	5

u) Intangible Assets

Research, training, maintenance and development costs are expensed.

Computer software systems where capitalised are amortised over their useful lives, generally between three to eight years on a straight-line basis.

Carbon credits are recorded at cost and subsequently revalued to fair value.

v) Livestock and Agricultural Produce

Livestock includes beef and dairy cattle. Agricultural produce represents harvested and stored fodder. Livestock and agricultural produce are measured at fair value less costs to sell, with any change recognised in the surplus or deficit for the period in which it arises. Costs to sell include all costs that would be necessary to sell the assets, including freight and direct selling costs.

The fair value of livestock and agricultural produce is based on its present location and condition. If an active or other effective market exists for livestock or agricultural produce in its present location and condition, the quoted price in that market is the appropriate basis for determining the fair value of the asset. Where there exists access to different markets, the most relevant market is used, being defined as the market "that access is available to the entity", which is used at the time fair value is established.

If an active market does not exist then one of the following methods is applied:

- The most recent transaction price, provided there has not been a significant change in economic circumstances between the date of the transaction and the end of the reporting period; or
- Market prices, in market accessible to the entity, for similar assets with adjustments to reflect differences; or
- Sector benchmarks.

In the event that market determined prices or values are not available for livestock or agricultural produce in its present condition the present value of expected cash flows discounted at a current rate may be used in determining fair value.

Notes to the Financial Statements



The policies for livestock and agricultural produce are summarised as follows:

- i) Dairy and beef livestock have been valued at market value as at 31 May 2015 less estimated costs of sale. The Group has split the livestock valuation by potential market. Any movement in valuation due to biological changes or market price is recorded in surplus or deficit.
- ii) Fodder is stated at market value less estimated costs of sale. An independent farm consultant provided market valuations on the range of fodder conserved by the Group. The volume of all fodder is measured at least every six months and is revalued at least annually.

w) Forestry Assets

Forestry assets are valued on an annual basis, by an independent external consultant, P F Olsen Limited, to the fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs, and silvicultural costs and takes into consideration environmental, operational, and market restrictions. Any gains or losses on revaluation, including impairment, are recognised in the Statement of Comprehensive Revenue and Expense. The costs to maintain the forestry assets are recognised in the Statement of Comprehensive Revenue and Expense.

x) Impairment of Property, Plant and Equipment and Intangibles

The carrying values of Plant and Equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of Plant and Equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time, value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs unless the asset's value in-use can be estimated to be close to its fair value. An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash generating unit is then written down to its recoverable amount through the Statement of Comprehensive Revenue and Expense.

y) Trade and Other Payables

Short-term creditors and other payables are recorded at their face value.

z) Landfill Aftercare Provision

The landfill post-closure provision is measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

aa) Interest Bearing Liabilities and Borrowing

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

ab) Emissions Trading Scheme - New Zealand Units (Forestry)

After initial recognition, Emission Trading Scheme credits are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.



Notes to the Financial Statements

ac) Budget Figures

The budget figures are those approved by the Council at the beginning of the year in the Annual Plan 2014/15. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council for the preparation of the financial statements.

Adjusted budgets are the budget figures approved by the Council at the beginning of the year in the Annual Plan 2014/15 adjusted for variations as approved by the Council.

ad) Critical Judgements in Applying Accounting Policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2015:

Classification of property: The Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are accounted for as Property, Plant and Equipment.

Leases classification: Determining whether a lease agreement is a finance or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the Council. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a 'finance lease' means the asset is recognised in the statement of financial position as Property, Plant and Equipment whereas for an operating lease, no such asset is recognised.

ae) Critical Accounting Estimates and Assumptions

In preparing these financial statements the Council and Group have made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Infrastructural Assets: There are a number of assumptions and estimates used when performing Discounted Replacement Cost (DRC) valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes which are underground. This risk is minimised by the Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the assets will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, the Council could be over-estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expenses. To minimise this risk the Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted to local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives the Council further assurance over its useful life estimates.

Notes to the Financial Statements



Underlying assumptions. Beca confirms the following actions have been taken by Council officers and other external assessors in assessing Optimised Depreciated Replacement Cost (ODRC).

- The valuation was prepared on the understanding that the assets perform to expected service levels for the Council.
- The valuation encompasses only those assets included in the scope.
- Where the valuer has had to rely on information provided by the Council and their representatives, the valuer has endeavoured to cross check this where practicable.
- The valuation proceeded on the basis of the above assumptions. If any variance is found, Beca reserves the right to review and amend the valuation.

af) Memorabilia (Tasmanian Land Company Limited)

Memorabilia included in the financial statements were valued by Mr R L Broughton ALIAASA, a registered valuer of archivist material, in 2012. It has been confirmed by the independent valuer that since the valuation, there has been no evidence of a material movement in the fair value of the memorabilia as at 31 May 2015. Revaluation of the memorabilia will be conducted on a cyclical basis with sufficient frequency to ensure the fair value does not materially differ from the carrying amount.

ag) Comparative Figures

Comparative information has been reclassified as appropriate to achieve consistency in disclosure with the current year.

Note 2: Finance Revenue

	Council		Group	
	2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
Interest - related party loans	218	228	218	228
Interest - bank general	142	91	178	91
Interest - term deposits	1,882	1,520	1,882	1,520
Total finance revenue	2,242	1,839	2,278	1,839

Note 3: Investment Revenue

	Council		Group	
	2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
Dividends	5,821	2,102	3,189	2,102
Interest earned	519	416	519	416
Realised gain on investments	3,809	11,832	3,809	11,832
Unrealised gain on investments	34,093	-	-	-
Total investment revenue	44,242	14,350	7,517	14,350

Notes to the Financial Statements



Note 4: Other Operating Revenue

	Council		Group	
	Actual 2014/15 \$000	Actual 2013/14 \$000	Actual 2014/15 \$000	Actual 2013/14 \$000
User fees and charges	12,388	13,701	12,388	13,701
Levies	892	1,268	892	1,268
Council venue hire	625	383	625	383
Property rent and charges	3,822	3,729	3,822	3,729
Regulatory revenue	4,510	4,874	4,510	4,874
Other revenue	8,299	10,558	8,081	10,401
Total other operating revenue	30,536	34,513	30,318	34,356

Note 5: Rates

	Council and Group	
	2014/15 \$000	2013/14 \$000
General Rates	46,776	44,141
Refuse Collection - Uniform Annual Charge	1,685	1,543
Sewerage - Uniform Annual Charge	12,617	13,613
Water - Uniform Annual Charge	6,627	6,892
Roading - Uniform Annual Charge	3,513	3,475
Water - targeted metered rates	3,497	3,343
Total rates	74,715	73,007

Note 6: Rates Remissions

The Council allows for rate remissions for community, sporting and similar organisations and on Maori freehold land in terms of the Council's rate remission policies, pursuant to Local Government (Rating) Act 2002 (the Act). In 2014/15, the Council allowed remission of \$499,000 (2013/14: \$457,000) excluding GST.

In terms of the Act certain properties are designated as non rateable. The Council does not rate such properties and they are not included in the following remission figures.

	2014/15 \$000	2013/14 \$000
Community organisations	350	339
Maori freehold land	23	20
Land protected for natural conservation purposes	126	98
Postponed rates (including GST)	67	61

Note 7: Rating base information

	2014/15*	2015/16**
Projected number of rating units	34,766	34,611
Projected total capital value of rating units	\$16,527,542,250	\$16,616,393,490
Projected total land value of rating units	\$8,634,434,550	\$8,571,976,990

* These are the actual rates strike figures.

** District Roll Revaluation effective 1 July 2015.

Notes to the Financial Statements



Note 8: Subsidies and Grants

	Council		Group	
	2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
Operating subsidies and grants	5,162	4,902	5,376	4,902
Capital NZTA - roads	4,802	5,666	4,802	5,666
Capital other	5,168	2,792	5,168	2,792
Total subsidies and grants	15,132	13,360	15,346	13,360

Note 9: Personnel Costs

	Council		Group	
	2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
Salaries and wages	33,749	33,773	35,736	33,773
Expenses from other long-term employee benefits	125	57	125	57
Expenses from termination benefits	174	377	174	377
Kiwisaver - employer contribution	742	737	780	737
Agency and contract personnel	142	61	142	61
ACC levies	174	261	174	261
Total personnel costs	35,106	35,266	37,131	35,266

Note 10: Other Operating Expenditure

	Council		Group	
	2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
General operating expenses	19,170	22,052	17,410	18,828
Direct cost of activities and materials	33,338	34,848	33,338	34,848
Change in provision for doubtful debts	-	-	-	-
Bad debts	62	51	62	51
Audit fees - annual audit	192	187	192	187
Audit fees - Long-Term Plan	119	-	119	-
Computer leases/other operating lease costs	64	62	64	62
Directors fees	-	-	-	-
Loss on sale of assets	242	1,058	242	1,058
Revaluation loss/(gain)	4,004	(1,350)	4,004	(1,350)
Total other operating expenditure	57,191	56,908	55,431	53,684

Notes to the Financial Statements



Note 11: Depreciation and Amortisation Expenses

	Council		Group	
	2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
Operational assets	12,260	13,430	12,260	13,430
Infrastructural assets	17,615	17,563	17,615	17,563
Amortisation	984	252	984	252
Impairment	-	35	-	35
Total depreciation and amortisation expenses	30,859	31,280	30,859	31,280
Depreciation and amortisation expenses (by activity):				
Govett-Brewster Art Gallery	143	146	143	146
Puke Ariki and District Libraries	1,760	1,727	1,760	1,727
Community Development	276	289	276	289
Recreation and Events	1,247	1,280	1,247	1,280
Parks	2,318	2,306	2,318	2,306
Roads and Footpaths	10,342	10,359	10,342	10,359
Solid Waste and Refuse Collection	79	607	79	607
Stormwater Drainage	1,641	1,630	1,641	1,630
Flood Protection and Control Works	116	113	116	113
Water Supply	3,862	3,926	3,862	3,926
Wastewater Treatment	5,245	5,367	5,245	5,367
Regulatory Services	279	351	279	351
Management of Investments and Borrowing		27	-	27
Support Services	3,238	2,842	3,238	2,842
Council-Controlled Organisations	313	310	313	310
Total depreciation and amortisation expenses (by activity)	30,859	31,280	30,859	31,280

Note 12: Finance Costs

	Council		Group	
	2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
Interest on External Debt	5,923	6,141	5,923	6,256
Total finance costs	5,923	6,141	5,923	6,256

Notes to the Financial Statements



Note 13: Taxation

	Council		Group	
	2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
Surplus/(deficit) from continued operations	44,951	12,783	7,993	15,735
Surplus/(deficit) from discontinued operations	-	-	3,949	11,745
Surplus subject to tax	44,951	12,783	11,942	27,480
Prima facie tax at 28 cents	12,586	3,579	3,344	7,694
Adjust tax effect of permanent difference	(12,611)	(3,576)	(2,419)	(4,052)
Taxation expense/(refund)	(25)	3	925	3,642
Taxation expense on continued operations	(25)	3	(25)	3
Taxation expense on discontinued operations	-	-	950	3,639

The following group member had unrecognised tax losses available for carry forward:

New Plymouth District Council	2,162	2,137
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Deferred Taxation Asset

	Property, Plant and Equipment	Other Provisions	Losses	Total
Council				
Balance as at 30 June 2013	-	3	24	27
Charged to revenue	-	-	(24)	(24)
Charged to equity	-	-	-	-
Balance as at 30 June 2014	-	3	-	3
Charged to revenue	-	-	-	-
Charged to equity	-	-	-	-
Balance as at 30 June 2015	-	3	-	3
Group				
Balance as at 30 June 2013	-	3	24	27
Charged to revenue	-	-	(24)	(24)
Charged to equity	-	-	-	-
Balance as at 30 June 2014	-	3	-	3
Charged to revenue	-	-	-	-
Charged to equity	-	-	-	-
Balance as at 30 June 2015	-	3	-	3

Notes to the Financial Statements



Deferred Taxation Liability

	Property, Plant and Equipment	Other Provisions	Losses	Total
Council				
Balance as at 30 June 2013	(1,218)	-	-	(1,218)
Charged to revenue	21	-	-	21
Charged to equity	-	-	-	-
Balance as at 30 June 2014	(1,197)	-	-	(1,197)
Charged to revenue	55	-	-	55
Charged to equity	-	-	-	-
Balance as at 30 June 2015	(1,142)	-	-	(1,142)
Group				
Balance as at 30 June 2014	(42,717)	(111)	2,240	(40,588)
Balance as at 30 June 2015	(4,533)	(12,302)	222	(16,613)

Note 14: Cash and Cash Equivalents

	Council		Group	
	2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
Cash at bank and on hand	7,035	1,842	8,091	2,588
Term deposits with maturities of less than three months at acquisition	9,000	4,400	9,000	4,400
Total cash and cash equivalents	16,035	6,242	17,091	6,988

The Council holds unspent funds, included in cash at bank and investments, of \$46.85m (2014: \$43.91m) that are subject to restrictions. These unspent funds relate to trusts and bequests received (see Note 28), lump sum contributions and other funds received with restrictions where the spending of the funds is separately monitored. The restrictions generally specify how the funds are required to be spent.

Notes to the Financial Statements



Note 15: Trade and Other Receivables

	Council		Group	
	2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
Trade receivables	15,956	10,261	16,122	10,340
Prepayments	22	-	62	-
Rates	1,478	1,544	1,478	1,544
Accrual - investment interest/dividends	321	428	321	428
Taranaki Investment Management Limited	150	-	-	-
Other receivables - Tasmanian Land Company Limited	-	-	7,874	8,229
	17,927	12,233	25,857	20,541
<i>less impairment of receivables</i>	(108)	(108)	(131)	(142)
Total trade and other receivables	17,819	12,125	25,726	20,399
Total receivables comprise:				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	3,157	3,021	3,157	3,021
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	14,662	9,104	22,569	17,378
The aging profile of receivables at year end is detailed below:				
Not past due	13,146	8,945	21,053	17,219
Past due 1 - 30 days	612	416	612	416
Past due 31 - 60 days	403	274	403	274
Past due 61 - 90 days	250	170	250	170
Past due > 91 days	3,408	2,319	3,408	2,319
	17,819	12,125	25,726	20,399

Fair value

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

Impairment

The Council does not provide for any impairment on rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgement then the Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit. Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place debts are discounted to their present value of future payments if the effect of discounting is material.

Provision has been made in respect of all other receivables where there is objective evidence that the Council will not be able to collect the amount as per the original terms of the receivables.

Notes to the Financial Statements



Note 16: Other Financial Assets

	Note	Council		Group	
		2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
Current					
New Plymouth Airport Joint Venture loan		68	68	68	68
Term deposits		30,810	37,670	30,810	37,670
Total current assets		30,878	37,738	30,878	37,738
Non-current					
Mortgages/other loans		989	889	989	889
Other shareholdings/bonds/term deposits		2,350	2,190	2,350	2,190
New Plymouth Airport Joint Venture loan		1,224	1,292	1,224	1,292
Bonds, shares and other investments (PIF)	18	253,275	217,966	87,884	86,452
Total non-current assets		257,838	222,337	92,447	90,823
less Tasmanian Land Company Limited	17	(165,391)	(131,535)	-	-
Other Financial Assets		92,447	90,802	92,447	90,823

Interest Rates

The weighted average effective interest rates on investments (current and non-current) were:

Short-term deposits	4.27%	4.18%
Bonds and other investments	5.40%	5.79%

Note 17: Tasmanian Land Company Limited

	30 June 2015	30 June 2014
New Plymouth District Council	88,459,358	85,826,440
Tasmanian Land Company Limited shares on issue at 30 June	88,439,358	-
Tasman Farms Limited	-	85,826,440
Percentage of shareholding	100%	100%
Value of shareholding	\$165,391,000	\$131,534,593

The Tasmanian Land Company Limited (TLC) was incorporated on 5 August 2014.

On 17 April 2015, TLC acquired all the shares in TFL. The transaction was a business restructure between entities under the control of the Council and has been accounted for as a continuation of the existing TFL group.

The subsidiaries of TLC have financial years that run for 12 months to 31 May 2015 in line with the farming cycle. TLC's financial period runs to 30 June 2015. Consolidation procedures have taken into account any significant transactions or events that have occurred between the subsidiaries and TLC's reporting date.

TLC has been classified as held for sale as at 30 June 2015 (refer note 23).

Notes to the Financial Statements



Note 18: Perpetual Investment Fund (PIF)

	Note	Council	
		Actual 2014/15	Actual 2013/14
Opening Balance		217,966	212,432
Revenue and Gains:			
- Interest		519	416
- Dividends		5,821	2,102
- Other revenue		-	3
- Currency gains		91	11,830
- Realised gains on disposals		3,718	-
- Unrealised gains		34,093	-
Total revenue and gains		44,242	14,351
Expenses and Losses:			
- Direct expenses		811	1,304
- Realised loss on disposals		-	476
- Unrealised losses		-	477
Total expenses and losses		811	2,257
Net surplus/(deficit) for the year		43,431	12,094
Transfers in/(out) of the fund:			
- Reimbursement of costs to the Council		(1,321)	(1,379)
- Release to the Council (including interest)		(6,801)	(5,181)
Total transfers in/(out) of the fund		(8,122)	(6,560)
Net change in PIF investment		35,309	5,534
Closing balance	16	253,275	217,966
<i>Portfolio asset allocation:</i>			
Alternative assets		207,068	176,406
US equity		18,673	9,368
Emerging market equity		7,877	6,416
Europe and Pacific equity		8,319	10,404
Fixed revenue		2,963	2,928
Cash		8,375	12,444
		253,275	217,966

Notes to the Financial Statements



Note 19: Intangible Assets

	Council		Group	
	2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
Cost 1 July	6,746	5,690	6,916	5,858
Accumulated amortisation 1 July	4,100	3,848	4,250	3,966
Carrying amount 1 July	2,646	1,842	2,666	1,892
Current year additions	1,269	1,619	1,332	1,621
Current year disposals	-	563	-	563
Current year amortisation	984	252	1,006	284
Cost 30 June	8,015	6,746	8,248	6,916
Accumulated amortisation 30 June	5,084	4,100	5,256	4,250
Carrying amount 30 June	2,931	2,646	2,992	2,666
<i>Comprising:</i>				
Software	2,478	2,476	2,539	2,496
Carbon Credits	453	170	453	170

Note 20: Forestry Assets

	Council		Group	
	2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
Balance as at 1 July	3,069	3,587	3,069	3,587
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	260	51	260	51
Decrease due to harvest	-	(611)	-	(611)
Other changes	17	42	17	42
Balance as at 30 June	3,346	3,069	3,346	3,069

The Council owns 235.6 hectares (2014: 217.0 hectares) of pinus radiata forest which are at varying stages of maturity ranging from one to 40 years. In addition, the Council is involved in four joint ventures comprising 139.3 hectares (2014: 139.3 hectares) at varying stages of maturity ranging from 16 to 30 years. Refer to Note 41 for details of the Council's investment in the Joint Ventures.

Valuation assumptions

Independent registered valuers, PF Olsen Limited, have valued forestry assets as at 30 June 2015. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- A post-tax discount rate of 7% (2014: 7%) has been used in discounting the present value of expected cash flows.
- Notional land rental costs have been included for freehold land in respect to the Joint Ventures only.
- The forest has been valued on a going-concern basis and only includes the value of the existing crops on a single rotation basis less point of sale costs estimated at 2% (2014: 2%).
- No allowance for inflation has been provided.
- Costs are current average costs. No allowance has been made for cost improvements in future operations.
- Log prices are based on a three-year historical rolling average.

Notes to the Financial Statements



Financial risk management strategies

The Council is exposed to financial risks arising from changes in timber prices. The Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future. Therefore, no measures have been taken to manage the risks of a decline in timber prices. The Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

Note 21: Livestock and Agricultural Produce

	Physical Quantities		Group	
	2014/15	2013/14	2014/15 \$000	2013/14 \$000
Sheep livestock	-	87	-	6
Beef livestock	1	65	1	46
Dairy livestock	31,098	29,279	38,527	38,172
Fodder	-	-	3,781	3,333
Total at net market value			42,309	41,557
<i>Attributed to:</i>				
Current assets			9,561	9,111
Non-current assets held for sale			32,748	-
Non-current assets			-	32,446
			42,309	41,557
Sheep livestock				
Carrying value at beginning of period			6	96
Sales			(6)	(78)
Purchases			-	-
Foreign exchange adjustment to opening balance			-	(7)
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributed to physical changes			-	(1)
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributed to price changes			-	(4)
Carrying value at end of period (sheep livestock)			-	6
Beef livestock				
Carrying value at beginning of period			46	320
Sales			(45)	(313)
Purchases			-	-
Foreign exchange adjustment to opening balance			-	(24)
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributed to physical changes			-	48
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributed to price changes			-	15
Carrying value at end of period (beef livestock)			1	46

Notes to the Financial Statements



	Group	
	2014/15 \$000	2013/14 \$000
Dairy livestock		
Carrying value at beginning of period	38,172	34,970
Sales	(5,587)	(8,113)
Purchases	215	2,765
Foreign exchange adjustment to opening balance	1,361	(3,292)
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributed to physical changes	7,582	5,596
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributed to price changes	(3,216)	6,246
Carrying value at end of period (dairy livestock)	38,527	38,172

In accordance with industry practice the directors have classified 15% of the dairy livestock as current, representing a reasonable estimate of the portion of the dairy herd that will be sold during the next 12 months.

Nature of Assets

Beef cows are run on the Group's 25 dairy units. Replacement dairy heifers are run on Woolnorth and are managed as part of the Group's dairy support operations. The dairy support operations also provide grazing for dairy cows both when wintered off the milking platforms and when it is appropriate to retain the dairy animal and place it back into an autumn calving pattern once in a suitable condition.

Valuation of Livestock and Fodder

All livestock are valued annually at 31 May 2015. The Directors have based their valuation on an appraisal undertaken by Peter Townsend, Livestock Agent for Roberts Limited. All feed stocks are valued annually at 31 May. The Directors have based their valuation on an appraisal undertaken by independent farm consultant Penny Williams. The sharefarmers allocation of fodder on hand has been capitalised, in accordance with an agreement with each shareholder.

Livestock Numbers and Feed Reserves

A stock audit process is used to tally. All livestock numbers are physically counted for all classes of stock and all feed reserves, including testing for quality and adjustment of figures where wastage has occurred.

Notes to the Financial Statements



Note 22: Property, Plant and Equipment	Cost/ Revaluation 1 July 2014 \$000	Accumulated Depreciation and Impairment Charges \$000	Carrying Amount 1 July 2014 \$000	Current Year Additions \$000	Current Year Vested \$000
COUNCIL 2014/15					
Operational Assets:					
- Land	72,215	-	72,215	208	-
- Buildings/Improvements	179,258	5,692	173,566	5,932	-
- Plant and Machinery	4,720	1,756	2,964	544	-
- Furniture, Fittings and Equipment	16,700	12,015	4,685	1,883	-
- Puke Ariki Book Collection	5,101	-	5,101	673	15
Restricted Assets:					
- Land	174,349	-	174,349	122	-
- Puke Ariki Museum Collection	26,673	-	26,673	-	-
- Govett-Brewster Collection	13,028	-	13,028	45	-
Infrastructural Assets:					
- Roothing	1,053,580	10,319	1,043,261	8,254	2,840
- Laboratory	116	21	95	26	-
- Solid Waste	7,686	166	7,520	118	-
- Stormwater	101,547	1,645	99,902	798	627
- Flood Protection	13,612	113	13,499	43	-
- Water Treatment	44,723	2,006	42,717	160	-
- Water Reticulation	76,206	1,835	74,371	941	346
- Sewerage Treatment	87,232	3,166	84,066	3,552	-
- Sewerage Reticulation	112,231	2,044	110,187	2,923	283
- Work in Progress	25,278	-	25,278	37,056	-
- New Plymouth Airport Runway/Services	6,125	268	5,857	1	-
Total Council	2,020,380	41,046	1,979,334	63,279	4,111
GROUP 2014/15					
Operational Assets:					
- Land	72,215	-	72,215	208	-
- Buildings/Improvements	179,388	5,761	173,627	5,935	-
- Plant and Machinery	4,853	1,816	3,037	544	-
- Furniture, Fittings and Equipment	17,024	12,219	4,805	1,914	-
- Puke Ariki Book Collection	5,101	-	5,101	673	15
- Tasmanian Land Company Limited	211,395	10,302	201,093	1,720	-
Restricted Assets:					
- Land	174,349	-	174,349	122	-
- Puke Ariki Museum Collection	26,673	-	26,673	-	-
- Govett-Brewster Collection	13,028	-	13,028	45	-
Infrastructural Assets:					
- Roothing	1,053,580	10,319	1,043,261	8,254	2,840
- Laboratory	116	21	95	26	-
- Solid Waste	7,686	166	7,520	118	-
- Stormwater	101,547	1,645	99,902	798	627
- Flood Protection	13,612	113	13,499	43	-
- Water Treatment	44,723	2,006	42,717	160	-
- Water Reticulation	76,206	1,835	74,371	941	346
- Sewerage Treatment	87,232	3,166	84,066	3,552	-
- Sewerage Reticulation	112,231	2,044	110,187	2,923	283
- Work In Progress	25,278	-	25,278	37,056	-
- New Plymouth Airport Runway/Services	6,125	268	5,857	1	-
Total Group	2,232,362	51,681	2,180,681	65,033	4,111

Notes to the Financial Statements



Current Year Disposals \$000	Current Year Depreciation \$000	Depreciation Adjustment \$000	Transfer Non-current Assets held for sale \$000	Revaluation 30 June 2015 \$000	Cost/ Revaluation 30 June 2015 \$000	Accumulated Depreciation and Impairment Charges \$000	Carrying Amount 30 June 2015 \$000
-	-	-	269	-	72,154	-	72,154
516	5,676	-	(217)	1,943	186,834	11,368	175,466
756	509	388	-	-	4,508	1,877	2,631
33	1,657	28	-	-	18,550	13,644	4,906
71	476	71	-	(193)	5,524	404	5,120
-	-	-	-	-	174,471	-	174,471
-	-	-	-	-	26,673	-	26,673
-	-	-	-	-	13,073	-	13,073
745	10,348	-	-	-	1,063,929	20,667	1,043,262
-	22	-	-	-	142	43	99
-	61	-	-	(1,943)	5,861	227	5,634
-	1,644	-	-	-	102,972	3,289	99,683
-	113	-	-	-	13,655	226	13,429
-	2,010	-	-	-	44,883	4,016	40,867
-	1,839	-	-	-	77,494	3,675	73,819
-	3,193	-	-	-	90,784	6,359	84,425
-	2,059	-	-	-	115,438	4,104	111,334
24,601	-	-	-	-	37,733	-	37,733
-	268	-	-	-	6,125	536	5,589
26,722	29,875	487	52	(193)	2,060,803	70,435	1,990,368
-	-	-	269	-	72,154	-	72,154
516	5,686	-	(217)	1,943	186,968	11,448	175,520
756	536	388	-	-	4,641	1,964	2,677
49	1,696	44	-	-	18,891	13,873	5,018
71	476	71	-	(193)	5,524	404	5,120
46	1,856	-	196,599	(4,312)	-	-	-
-	-	-	-	-	174,471	-	174,471
-	-	-	-	-	26,673	-	26,673
-	-	-	-	-	13,073	-	13,073
745	10,348	-	-	-	1,063,929	20,667	1,043,262
-	22	-	-	-	142	43	99
-	61	-	-	(1,943)	5,861	227	5,634
-	1,644	-	-	-	102,972	3,289	99,683
-	113	-	-	-	13,655	226	13,429
-	2,010	-	-	-	44,883	4,016	40,867
-	1,839	-	-	-	77,494	3,675	73,819
-	3,193	-	-	-	90,784	6,359	84,425
-	2,059	-	-	-	115,438	4,104	111,334
24,601	-	-	-	-	37,733	-	37,733
-	268	-	-	-	6,125	536	5,589
26,784	31,807	503	196,651	(4,505)	2,061,411	70,831	1,990,580

Notes to the Financial Statements



Note 22: Property, Plant and Equipment	Cost/ Revaluation 1 July 2013 \$000	Accumulated Depreciation and Impairment Charges \$000	Carrying Amount 1 July 2013 \$000	Current Year Additions \$000	Current Year Vested \$000
COUNCIL 2013/14					
Operational Assets:					
- Land	70,130	-	70,130	3,275	
- Buildings/Improvements	175,990	-	175,990	4,191	1
- Plant and Machinery	4,842	1,539	3,303	512	
- Furniture, Fittings and Equipment	18,065	12,195	5,870	562	-
- Puke Ariki Book Collection	5,814	722	5,092	630	9
Restricted Assets:					
- Land	175,558	-	175,558	(1,894)	685
- Puke Ariki Museum Collection	26,555	-	26,555	43	-
- Govett-Brewster Collection	13,197	-	13,197	11	-
Infrastructural Assets:					
- Roothing	1,037,367	-	1,037,367	14,733	1,480
- Laboratory	104	-	104	12	-
- Solid Waste	7,573	-	7,573	115	-
- Stormwater	100,853	-	100,853	389	333
- Flood Protection	13,601	-	13,601	11	-
- Water Treatment	44,663	-	44,663	60	-
- Water Reticulation	74,992	-	74,992	1,033	191
- Sewerage Treatment	74,983	-	74,983	12,249	-
- Sewerage Reticulation	104,718	-	104,718	7,532	129
- Work in Progress	31,770	-	31,770	-	-
- New Plymouth Airport Runway/Services	6,106	-	6,106	19	-
Total Council	1,986,881	14,456	1,972,425	43,483	2,828
GROUP 2013/14					
Operational Assets:					
- Land	70,130	-	70,130	3,275	
- Buildings/Improvements	176,120	59	176,061	4,191	1
- Plant and Machinery	4,976	1,573	3,403	512	
- Furniture, Fittings and Equipment	18,398	12,394	6,004	594	-
- Puke Ariki Book Collection	5,814	722	5,092	630	9
- Tasman Farms Limited	227,452	8,391	219,061	1,576	
Restricted Assets:					
- Land	175,558	-	175,558	(1,894)	685
- Puke Ariki Museum Collection	26,555	-	26,555	43	-
- Govett-Brewster Collection	13,197	-	13,197	11	-
Infrastructural Assets:					
- Roothing	1,037,367	-	1,037,367	14,733	1,480
- Laboratory	104	-	104	12	-
- Solid Waste	7,573	-	7,573	115	-
- Stormwater	100,853	-	100,853	389	333
- Flood Protection	13,601	-	13,601	11	-
- Water Treatment	44,663	-	44,663	60	-
- Water Reticulation	74,992	-	74,992	1,033	191
- Sewerage Treatment	74,983	-	74,983	12,249	-
- Sewerage Reticulation	104,718	-	104,718	7,532	129
- Work In Progress	31,770	-	31,770	-	-
- New Plymouth Airport Runway/Services	6,106	-	6,106	19	-
Total Group	2,214,930	23,139	2,191,791	45,091	2,828

Notes to the Financial Statements



Current Year Disposals \$000	Current Year Depreciation \$000	Depreciation Adjustment \$000	Impairment	Revaluation 30 June 2014 \$000	Cost/Revaluation 30 June 2014 \$000	Accumulated Depreciation and Impairment Charges \$000	Carrying Amount 30 June 2014 \$000
1,190	-	-	-	-	72,215	-	72,215
924	5,692	-	-	-	179,258	5,692	173,566
635	555	339	-	-	4,720	1,756	2,964
1,927	1,694	1,874	-	-	16,700	12,015	4,685
179	280	1,002	-	(1,173)	5,101	-	5,101
-	-	-	-	-	174,349	-	174,349
-	-	-	-	75	26,673	-	26,673
-	-	-	-	(180)	13,028	-	13,028
-	10,319	-	-	-	1,053,580	10,319	1,043,261
-	21	-	-	-	116	21	95
2	166	-	-	-	7,686	166	7,520
28	1,645	-	-	-	101,547	1,645	99,902
-	113	-	-	-	13,612	113	13,499
-	2,006	-	-	-	44,723	2,006	42,717
10	1,835	-	-	-	76,206	1,835	74,371
-	3,166	-	-	-	87,232	3,166	84,066
148	2,044	-	-	-	112,231	2,044	110,187
6,492	-	-	-	-	25,278	-	25,278
-	268	-	-	-	6,125	268	5,857
11,535	29,804	3,215	-	(1,278)	2,020,380	41,046	1,979,334
1,190	-	-	-	-	72,215	-	72,215
924	5,702	-	-	-	179,388	5,761	173,627
635	582	339	-	-	4,853	1,816	3,037
1,968	1,736	1,911	-	-	17,024	12,219	4,805
179	280	1,002	-	(1,173)	5,101	-	5,101
6	1,911	-	-	(17,627)	211,395	10,302	201,093
-	-	-	-	-	174,349	-	174,349
-	-	-	-	75	26,673	-	26,673
-	-	-	-	(180)	13,028	-	13,028
-	10,319	-	-	-	1,053,580	10,319	1,043,261
-	21	-	-	-	116	21	95
2	166	-	-	-	7,686	166	7,520
28	1,645	-	-	-	101,547	1,645	99,902
-	113	-	-	-	13,612	113	13,499
-	2,006	-	-	-	44,723	2,006	42,717
10	1,835	-	-	-	76,206	1,835	74,371
-	3,166	-	-	-	87,232	3,166	84,066
148	2,044	-	-	-	112,231	2,044	110,187
6,492	-	-	-	-	25,278	-	25,278
-	268	-	-	-	6,125	268	5,857
11,582	31,794	3,252	-	(18,905)	2,232,362	51,681	2,180,681

Notes to the Financial Statements



Note 22 continued

Asset Management Plans have been adopted by the Council in respect of each of its infrastructure networks. These plans specify the level of service required, the current physical extent, condition and capacity of the network and the timing, extent and cost of work required to maintain and restore the network's defined operating capacity in future years. No Property, Plant and Equipment has been pledged as security.

Valuation assumptions - refer to Statement of Accounting Policies (ae).

The most recent estimate of the replacement cost of infrastructural assets as at the latest valuation 30 June 2015 is:

	\$000
Wastewater treatment	153,258
Wastewater reticulation	196,843
Water treatment	80,299
Water reticulation	140,378
Stormwater	150,170
Roading network	1,298,380

Note 23: Non-current Assets Held for Sale

Non-current assets held for sale include Tasmanian Land Company Limited and various properties.

Tasmanian Land Company Limited is the ultimate holding company for the Tasmanian farming operations. The farming operations performance has continued to improve, meeting its targets and in early 2015 an active sale program was initiated for the disposal of these farms. Based on interest to date it is expected that the farming operations will be sold by 30 June 2016.

The properties are houses associated with the Vickers to City roading project and various parcels of land which are surplus to requirements and are expected to be sold by 30 June 2016.

	Council		Group	
	2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
Land	1,868	1,599	1,868	1,599
Buildings	116	333	116	333
Tasmanian Land Company Limited	165,391	-	242,772	-
Total properties intended for sale	167,375	1,932	244,756	1,932

Notes to the Financial Statements



Note 24: Trade and Other Payables

	Council		Group	
	2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
Trade creditors	12,525	10,383	19,351	19,905
Miscellaneous accounts and deposits	1,792	1,756	1,792	1,756
Public debt interest	598	663	598	663
Accrued wages and holiday pay	4,074	2,893	4,876	3,536
Contract retentions	1,399	1,300	1,399	1,300
Revenue in advance	2,860	2,078	3,049	2,078
Crown interests in Airport	381	381	381	381
Taranaki Investment Management Limited	310	268	-	-
Total trade and other payables	23,939	19,722	31,446	29,619

Creditors and other payables are non-interest bearing and are normally settled on 30 day terms. Therefore, the carrying value of creditors and other payables approximates their fair value. All amounts in trade and other payables are assessed as exchange as these balances arose from transactions carried at normal business terms.

Note 25: Public Debt and Other Loans

	Council		Group	
	2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
Current:				
Public debt and other loans (current)	47,650	37,304	47,650	37,304
Revolving credit facility - Tasmanian Land Company Limited	-	-	71,906	69,060
Equipment finance loans - Tasmanian Land Company Limited	-	-	952	594
	47,650	37,304	120,508	106,958
Non-current public debt:				
Public debt and other loans (non-current)	66,000	73,650	66,000	73,650
Equipment finance loans - Tasmanian Land Company Limited	-	-	-	558
	66,000	73,650	66,000	74,208
Total public debt and other loans	113,650	110,954	186,508	181,166
Debenture stock	57,650	64,954		
Local Government Funding Authority borrowings	56,000	46,000		
	113,650	110,954		

Interest rates range from 3.7% to 6.6% - weighted average rate of 5.3%.

Security is in form of a Debenture over the district's rates. Refer to Note 26.

The revolving credit facility - Tasmanian Land Company Limited (Rabobank loan) is secured by a registered charge over the property and a registered equitable mortgage over the assets of Tasmanian Land Company Limited.

Notes to the Financial Statements



Note 26: Debenture Trust Deed

All the Council's secured loans, plus the overdraft, are secured under the terms of the Debenture Trust Deed between the Council and Foundation Corporate Trust as Trustee. Security is by a charge over the Council's ability to levy rates in favour of the Trustee. Pursuant to the Debenture Trust Deed, the Council has issued to its bankers security certificates totalling \$5,011m to secure the various bank loan facilities, bank overdraft and guarantees issued on behalf of the Council and other general banking facilities.

Note 27: Landfill Aftercare Provision

The Council has one active landfill and eight closed landfills. Colson Road landfill receives all of the waste for the Taranaki region. Both the active and closed landfills have been taken into account in estimating the liability but the closed landfill liability is relatively insignificant.

Colson Road landfill has been developed in three stages, the first two of which are now closed. Closure costs have been allowed for up to closure of the third stage which is estimated to be in year 2019. Post closure costs have been estimated to continue for a further 30 years to year 2049. The liability provision has been discounted using a discount rate of 6% (2014: 6%).

	Council and Group	
	2014/15 \$000	2013/14 \$000
Opening balance	1,618	1,183
Amounts used	(46)	435
Closing balance	1,572	1,618
Current	110	103
Non current	1,462	1,515

Note 28: Special Funds/Reserves Movement

Reserves are a component of public equity generally representing a particular use to which various parts of public equity have been assigned. Reserves may be legally restricted or created by the Council.

	Council		Group	
	Actual 2014/15 \$000	Actual 2013/14 \$000	Actual 2014/15 \$000	Actual 2013/14 \$000
Opening balances	80,297	77,364	80,587	77,423
Deposits to reserves	29,924	31,828	29,924	32,059
Withdrawals from reserves	(29,865)	(28,895)	(30,099)	(28,895)
Closing balances	80,356	80,297	80,412	80,587

Notes to the Financial Statements



1. **Operating Reserve Funds:** These are set aside to fund short-term operational matters, such as some loan repayments, or to hold short-term surpluses arising from Water Supply and Wastewater Treatment operations and some internal services. They are either applied in that year or the next financial year.

	Council		Group	
	Actual	Actual	Actual	Actual
	2014/15	2013/14	2014/15	2013/14
	\$000	\$000	\$000	\$000
Opening balances	7,810	10,408	7,810	10,408
Deposits to reserves	1,757	3,109	1,757	3,109
Withdrawals from reserves	(627)	(5,707)	(627)	(5,707)
Closing balances	8,940	7,810	8,940	7,810

2. **Smoothing Reserve Funds:** These fund significant costs incurred generally every three years. An annual charge is made to operations so as to level out the impacts of these costs on rates. These include asset revaluations, Long-Term Plan audit fee, Council elections and orthophotography. These funds are applied to infrastructural services, some internal services and Civic and Democracy Services.

	Council		Group	
	Actual	Actual	Actual	Actual
	2014/15	2013/14	2014/15	2013/14
	\$000	\$000	\$000	\$000
Opening balances	1,678	1,237	1,678	1,237
Deposits to reserves	227	594	227	594
Withdrawals from reserves	(56)	(153)	(56)	(153)
Closing balances	1,849	1,678	1,849	1,678

3. **Restricted Reserves, Trust and Bequest Funds:** These are funds subject to specific conditions accepted as binding by the Council, such as bequests or operations in trust under specific Acts, and which may not be revised by the Council without reference to the courts or third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. These include the Waitara Harbour Trust, heritage funds, proceeds from sale of Junction Road leases, Ngamotu Masonic Lodge Bursary Fund and certain bequest funds: Monica Brewster, Molly Morpeth Canaday and J T Gibson. These funds are applied to infrastructural asset activities, Puke Ariki and Govett-Brewster Art Gallery.

	Council		Group	
	Actual	Actual	Actual	Actual
	2014/15	2013/14	2014/15	2013/14
	\$000	\$000	\$000	\$000
Opening balances	10,407	9,982	10,697	10,041
Deposits to reserves	1,309	1,176	1,309	1,407
Withdrawals from reserves	(4)	(751)	(238)	(751)
Closing balances	11,712	10,407	11,768	10,697

Notes to the Financial Statements



- 4. Development Funds:** These arise from Development and Financial Contributions levied by the Council for capital works and are intended to contribute to the growth related capital expenditure in the infrastructural asset activities of Roads, Water Supply, Wastewater Management, Stormwater Drainage, Flood Protection and Control Works and Parks, and cultural services of Recreation and Events, Puke Ariki and Govett-Brewster Art Gallery. These reserves also include the Solid Waste Development Fund which was set up for capital, renewal and emergency maintenance works associated with the district's solid waste disposal systems and the Len Lye Development Fund.

	Council		Group	
	Actual 2014/15 \$000	Actual 2013/14 \$000	Actual 2014/15 \$000	Actual 2013/14 \$000
Opening balances	21,136	19,249	21,136	19,249
Deposits to reserves	9,476	8,296	9,476	8,296
Withdrawals from reserves	(10,297)	(6,409)	(10,297)	(6,409)
Closing balances	20,315	21,136	20,315	21,136

- 5. Renewal and Disaster Funds:** The Council sets aside funding to meet the renewal of its infrastructural and operating assets to ensure the continued ability of the Council to provide services. In addition, the Council maintains a disaster fund as a part of its insurance strategies. The renewal funds are applied to all activities throughout the Council.

	Council		Group	
	Actual 2014/15 \$000	Actual 2013/14 \$000	Actual 2014/15 \$000	Actual 2013/14 \$000
Opening balances	39,266	36,488	39,266	36,488
Deposits to reserves	17,155	18,653	17,155	18,653
Withdrawals from reserves	(18,881)	(15,875)	(18,881)	(15,875)
Closing balances	37,540	39,266	37,540	39,266

Note 29: Retained Earnings

	Council		Group	
	2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
Opening balance at 1 July	1,452,783	1,442,936	1,382,776	1,362,230
Total comprehensive revenue and expense	44,976	15,600	42,217	15,795
(Increase)/decrease in special funds/reserves	(59)	(2,933)	175	(3,164)
(Increase)/decrease in asset revaluation reserves	-	(2,820)	(29,344)	3,882
(Increase)/decrease in currency fluctuation reserve	-	-	535	3,989
(Increase)/decrease in minority interests	-	-	1,940	44
Acquisition of minority interest	-	-	(2,973)	-
Share issue	-	-	3,365	-
Closing balance at 30 June	1,497,700	1,452,783	1,398,691	1,382,776

Notes to the Financial Statements



Note 30: Asset Revaluation Reserve

	Council		Group	
	2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
Operational land				
Opening balance at 1 July	30,798	30,798	30,798	30,798
Revaluation (impairment)	-	-	-	-
Closing balance at 30 June	30,798	30,798	30,798	30,798
Operational buildings				
Opening balance at 1 July	29,704	29,704	29,704	29,704
Revaluation (impairment)	-	-	-	-
Disposed assets	-	-	-	-
Closing balance at 30 June	29,704	29,704	29,704	29,704
Operational library				
Opening balance at 1 July	6	6	6	6
Revaluation (impairment)	(97)	-	(97)	-
Closing balance at 30 June	(91)	6	(91)	6
Restricted land				
Opening balance at 1 July	55,309	55,309	55,309	55,309
Revaluation (impairment)	-	-	-	-
Closing balance at 30 June	55,309	55,309	55,309	55,309
Restricted art/museum				
Opening balance at 1 July	2,036	2,270	2,036	2,270
Revaluation (impairment)	(96)	(234)	(96)	(234)
Closing balance at 30 June	1,940	2,036	1,940	2,036
Infrastructure				
Opening balance at 1 July	480,354	477,300	480,354	477,300
Revaluation (impairment)	-	3,054	-	3,054
Closing balance at 30 June	480,354	480,354	480,354	480,354
Tasmanian Land Company Limited - Asset Revaluation Reserve				
Opening balance at 1 July	-	-	84,739	91,441
Revaluation (impairment)	-	-	-	1,561
Disposed assets	-	-	-	-
Foreign currency translation	-	-	5,034	(8,263)
Deferred tax liability	-	-	24,504	-
Closing balance at 30 June	-	-	114,277	84,739
Asset Revaluation Reserve closing balance at 30 June	598,014	598,207	712,291	682,946

Notes to the Financial Statements



Note 31: Statement of Cash Flows Reconciliation

	Council		Group	
	2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
Surplus/(deficit) after taxation	44,976	12,780	11,017	23,838
<i>Non-cash items:</i>				
Depreciation	30,875	29,804	32,731	31,794
Assets vested in the Council	(4,111)	(2,829)	(4,111)	(2,829)
Net fair value on derivative (Tasmanian Land Company Limited)	-	-	-	(332)
Movement in deferred taxation	(55)	3	842	747
	26,709	26,978	29,462	29,380
<i>Add/(less) move in other working capital items:</i>				
Change in accounts receivable	(5,058)	(27)	(4,920)	(2,969)
Change in accounts payable	1,514	3,568	1,640	7,883
Change in inventory	(18)	16	(17)	(991)
Change in dividend receivable	-	-	-	-
Change in accruals	-	-	735	950
Change in livestock (Tasmanian Land Company Limited)	-	-	1,688	(7,826)
Taxation	-	-	(925)	(3,642)
<i>Other:</i>				
Movement in employee entitlements (non-current)	(99)	(86)	(99)	(86)
Loss/(gain) on sales included in investing activities	(31,480)	(19,117)	-	(19,094)
	(35,141)	(15,646)	(1,898)	(25,775)
Net cash flow from operating activities	36,544	24,112	38,581	27,443

Notes to the Financial Statements



Note 32: Commitments

	Council		Group	
	2014/15 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2013/14 (\$000)
Capital commitments approved and contracted				
Property, Plant and Equipment:				
- within one year	3,215	10,571	3,215	10,571
- later than one year and not later than five years	3,754	45	3,754	45
	6,969	10,616	6,969	10,616
Operating commitments approved and contracted				
General operating and maintenance contracts:				
- within one year	2,142	10,372	2,142	10,372
- later than one year and not later than five years	1,822	6,221	1,822	6,221
	3,964	16,593	3,964	16,593
Non-cancellable operating lease commitments as lessee				
The Council and Group leases some equipment such as phone systems, eftpos machines and photocopiers. The future aggregate minimum lease payment payable under non-cancellable operating leases are as follows:				
- within one year	11	24	216	227
- later than one year and not later than five years	-	33	324	481
- later than five years	-	-	77	154
	11	57	617	862
Non-cancellable finance commitments as lessee				
Tasmanian Land Company Limited have finance leases with commitments as follows:				
- within one year	-	-	494	653
- later than one year and not later than five years	-	-	526	599
- less future finance charges	-	-	(68)	(99)
	-	-	952	1,153
Community funding grants approved but not paid out				
Other	250	340	250	340
Total commitments	11,194	27,606	12,752	29,564
Loans to sport and other bodies guaranteed by the Council	9	12	9	12

Perpetual Investment Fund

The Council, through its Perpetual Investment Fund, has commitments to subscribe to a number of private equity funds. At balance date NZ \$8.1m (2014: \$9.4m) of this commitment has yet to be called up.

Notes to the Financial Statements



Note 33: Contingencies

Contingent Liabilities

Emissions Trading Scheme (ETS)

The Council has 235.6 hectares of pre-1990 forest land determined under the Climate Change Response Act 2002 (CCR). Under the ETS, the Council will incur financial penalties should the land be deforested as defined by CCR. At year end approximately 19.4 hectares had been harvested but not yet replanted. There is a four year stand-down period allowed between harvest and replanting. The Council intends to replant and/or let that portion naturally regenerate and has not given notice of intention to deforest. The Council does not consider it has a contingent liability.

Weathertightness

The Council is subject to four claims (2014: three) relating to weathertightness of buildings. These were lodged under the Weathertight Home Resolution Service (and one is subject to the Financial Assistance Package Scheme with the Ministry of Business Innovation and Employment). The potential quantum of the Council's share of these claims is estimated at \$1.1m (2014: \$130,000).

The Council also acknowledges that it may be liable for claims in the future relating to weathertightness buildings not yet identified. Information surrounding these potential claims is subject to extreme uncertainty and therefore no provision has been made for any potential future claims.

Local Government Funding Agency

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

The Council is one of 30 local authority shareholders and 10 local authority guarantors of the NZLGFA (in that regard it has uncalled capital of \$100,000). When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2015, NZLGFA had borrowings totalling \$5,011m (2014: \$3,728m).

Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

RiskPool

The Council is a member of Riskpool, a mutual liability fund which provides public liability and professional indemnity cover for its exclusively local authority members throughout New Zealand. Riskpool's Deed of Trust provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in a particular Fund Year, then the Board may make a call on members of that Fund Year for additional funds. While calls have been made historically, largely due to the unexpected severity of the leaky building syndrome, due to Riskpool's policy of ground up reinsurance the chance of future calls is abating.

Notes to the Financial Statements



As each year passes and statute of limitation periods expire, the risk of further calls decreases. In November 2013 Riskpool announced that there will be no call during the 2014-2015 financial year. The Board has yet to consider if a call is needed for the 2015/16 financial year, however this will be considered at a meeting of the Board in February 2016. The Council also understands it is the Riskpool Board's intention that should a call for prior Fund Years be required, adequate forewarning will be provided such that Council can properly allow for it in their accounts.

In 2012 the Supreme Court judgment of Spencer on Byron extended councils duty of care to non-residential buildings. While Riskpool continues to monitor claims turnout as a result of this decision, there has not yet been a noticeable increase in commercial claims against the Council.

In June 2014 the Supreme Court determined that the eligibility cut-off date for claims in the Weathertight Homes Tribunal is 10 years from the date the home was issued with a code compliance certificate. This decision may mean that previously ineligible claims are able to be pursued, which could affect Council liability. However, the Ministry for Business Innovation and Employment estimates that as few as 20 claims throughout the country will be affected by this decision. To the best of our knowledge no claims have yet arisen from this decision.

There are no other known material contingent liabilities.

Contingent Assets

There are no known material contingent assets (2014: nil).

Note 34: Related Parties Transactions

The Council is deemed to have related party relationships with Taranaki Investment Management Limited, New Plymouth Airport Joint Venture, Forestry Joint Ventures and Venture Taranaki Trust.

No debts between the parties were written off or forgiven during the reporting period. No transactions took place at nil or nominal value.

Forestry Joint Ventures

Transactions between the two parties consist of reimbursement of costs incurred by the Council on behalf of the forestry joint ventures and of charges made to the forestry joint ventures for the provision of services.

The total value of these transactions, excluding GST, during the year amounted to:

	2014/15 \$000	2013/14 \$000
McKay Joint Venture	5	8
Duthie Joint Venture	5	7
Oakura Farms Limited Joint Venture	9	10
Tarata Ngatimaru Pukehou Joint Venture	5	8

New Plymouth Airport Joint Venture

The ownership and operation of New Plymouth Airport is undertaken as a joint venture between New Zealand Government (50%) and the Council (50%). During the year the following related party transactions took place.

	2014/15 \$000	2013/14 \$000
Services provided by the Council	300	255
Lease charges to the Council	20	26
Interest and Loan repayments	354	364
Accounts payable to the Council	46	59
Loan to New Plymouth Airport Joint Venture	2,584	2,720

Notes to the Financial Statements



Taranaki Investment Management Limited

The Council is a related party because it owns all the shares in the company.

	2014/15 \$000	2013/14 \$000
Advance provided by the Council	-	60
Services provided to the Council	1,314	1,363
Amounts receivable from the Council	310	370
Services provided by the Council	68	94
Amounts payable to the Council	150	84

No members of the Council or its senior management have entered into any transactions with the company during the 2014/15 year.

Venture Taranaki Trust

The Council is a related party because it owns all the shares in the company.

	2014/15 \$000	2013/14 \$000
Payment for services and grants, including GST	3,127	2,750
Amounts invoiced for services provided, including GST	271	201
Amounts receivable from/to the Council	-	-

Tasmanian Land Company Limited

The Council is a related party because it owns all the shares in the company.

	2014/15 \$000	2013/14 \$000
Amounts invoiced for services received from Tasmanian Land Company Limited	70	1,027
Amounts invoiced for services provided to Tasmanian Land Company Limited	-	-
Amounts payable to Tasmanian Land Company Limited	-	1,027
Amounts receivable from Tasmanian Land Company Limited	-	-

Len Lye Centre Trust

The Council is a related party because the Len Lye Centre Trust was established to undertake fundraising for the Len Lye Centre.

	2014/15 \$000	2013/14 \$000
Fundraising received by the Council	453	-
Amounts receivable from Len Lye Centre Trust	-	-

Key management and members of the Council

During the year councillors and key management, as part of a normal customer relationship, were involved in minor transactions with the Council such as payment of rates, purchase of rubbish bags.

No councillors or senior management have entered into related party transactions with the group.

Notes to the Financial Statements



Note 35: Remuneration (as per Schedule 10, Part 3, Sections 18 and 32a of the Local Government Act 2002)

The Chief Executive of the Council received a gross salary of \$338,630 (2013/14 - \$338,760). In terms of the contract the Chief Executive also received a motor vehicle benefit of \$14,629 (2013/14 - \$14,499).

For the year ended 30 June 2015 the total annual cost, including fringe benefit tax, to the Council of the remuneration package being received by the Chief Executive is calculated at \$353,259 (2013/14 - \$353,259).

The other four key management personnel are listed in Section 5 (Management Structure).

Total benefits received by Chief Executive and key management personnel	2014/15	2013/14
Total remuneration (2014/15 includes termination payments and higher duties allowances)	\$1,284,381	\$1,255,639
Full-time equivalents	4	5
Councillors (total salary and allowances paid to the Mayor and councillors)	\$	\$
Andrew Judd (Mayor)	130,838	96,999
Keith Allum	38,143	25,758
Maurice Betts	-	9,833
Shaun Biesiek	47,678	41,854
Gordon Brown	47,678	31,877
Lynn Publitz	-	9,977
Murray Chong	38,143	25,758
Grant Coward	38,143	25,758
Heather Dodunski	53,400	50,213
Harry Duynhoven	11,546	37,785
Sherril George	-	9,977
Lance Girling-Butcher	-	9,977
Richard Handley	38,143	25,758
Len Houwers	16,658	25,758
Colin Johnston	38,143	25,758
Richard Jordan	38,143	25,758
Pauline Lockett	-	9,977
Craig McFarlane	48,380	46,694
John McLeod	8,912	35,735
Alex Matheson	-	15,332
Marie Pearce	38,143	35,735
Phil Quinney	-	14,152
Howie Tamati	38,143	35,735
Roy Weaver	11,546	-
Total cost	681,780	672,158
Full-time equivalents - Councillors	15	15

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

Notes to the Financial Statements



Total remuneration by salary band	2014/15	2013/14
< \$60,000	351	369
\$60K - \$79,999	111	111
\$80K - \$99,999	56	67
\$100K - \$119,999	21	23
\$120K - \$139,999	7	7
\$140K - \$179,999	6	8
\$180K - \$359,999	5	6
Total head count	557	591

Staffing levels	2014/15	2013/14
Permanent full-time employees	332	368
Full-time equivalent of all other employees	147	139
Total full-time equivalent as at 30 June	479	507

Note 36: SEVERANCE PAYMENTS

	District		Consolidated	
	2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
During 2014/15 there were two severance payments:				
- Severance Payment One	5	10	5	10
- Severance Payment Two	10	0	10	0
Total severance payments	15	10	15	10

Note 37: Financial Instruments

The Council and Group's broad financial philosophy is based on compliance with the obligations imposed on local authorities in terms of the Local Government Act 2002.

The Council's overriding obligation is to manage its affairs prudently and in the interest of its community.

Accordingly the Council's philosophy on the conduct of its financial activities is to ensure the risks associated with such activities are properly identified, quantified and managed to ensure it meets the above obligations and there is minimal negative impact on the Council arising from such risks.

Market Risk

Price Risk

Price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Council is exposed to equity securities price risk on its investments, which are classified as financial assets at fair value through surplus or deficit. This price risk arises due to market movements in listed securities. This price risk is managed by diversification of the Council's investment portfolio in accordance with its Treasury Management Policy and advice from Taranaki Investment Management Ltd (TIML).



Notes to the Financial Statements

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Council is exposed to currency risk on its investment portfolio which includes investments denominated in a number of foreign currencies. This currency risk is managed by diversification of the Council's investment portfolio in accordance with its Treasury Management Policy and advice from TIML.

Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and Investments issued at fixed rates of interest expose the Council to fair value interest rate risk. Interest rate risk is managed within the framework of the Treasury Management Policy. Interest rate swaps are used to hedge the Council's fair value interest rate risk.

Cash flow Interest Rate Risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Council and group to cash flow interest rate risk.

To manage interest rate risk at times, the Council borrows at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if the Council or Group borrowed at fixed rates directly. Under the interest rate swaps, the Council and group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Commodity Price Risk (Tasmanian Land Company Limited)

The group's exposure to commodity price risk is primarily with international milk commodity prices and the United States manufacturing beef prices. Commodity price risk is minimised by forward contracts taken out by the milk and meat processors to which the group sells. Due to the nature of the international commodity markets most sales by the processors take place at spot prices. This risk is with our customers, not directly with the group.

Credit Risk

Credit risk is the risk that a third party will default on its obligations to the Council, causing the Council to incur a loss.

Treasury Investments

Due to the timing of its cash inflows and outflows, the Council invests surplus cash into call or term deposits with registered banks. In addition the Council invests special funds and reserves in term deposits, other local authority stock and other interest bearing securities. The Council's Treasury Management Policy limits the amount of credit exposure to any one financial institution or organisation. Investments in other local authorities are secured by charges over rates. Other than other local authorities, the Council only invests with entities that have a Standard & Poors rating of at least AA- for short-term and A+ for long-term investments with the exception of the TSB Bank (BBB+).

The Council is exposed to credit risk as a guarantor of all of LGFA's borrowings. Information about this exposure is explained in Note 33 Contingencies.

The Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

Notes to the Financial Statements



Perpetual Investment Fund (PIF) Investments

The PIF invests in a variety of investments: equities, bonds and private equity funds.

This credit risk is managed by diversification of the investment portfolio in accordance with advice from TIML and by limits set on individual investments by TIML in any one financial institution or organisation.

Maximum Exposure to Credit Risk

NPDC's maximum credit exposure for each class of financial assets.

	Note	Council		Group	
		2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
Cash and cash equivalents	14	16,035	6,242	17,091	6,988
Debtors and other receivables	15	17,819	12,125	25,726	20,399
Short-term investments	16	30,810	37,670	30,810	37,670
Community and related party loans		1,949	1,917	1,949	1,917
New Zealand Local Government Insurance Corporation		504	504	504	504
Other interest bearing securities		1,182	1,182	1,182	1,182
New Zealand Local Government Funding Agency		996	836	996	836
PIF investments	16	253,275	217,966	87,884	86,452
Financial guarantees	32	9	12	9	12
Total credit risk		322,579	278,454	166,151	155,960

Credit Quality of Financial Assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standards & Poors credit ratings (if available) or to historical information about counterparty default rates

	Council		Group	
	2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
Counterparties with credit ratings				
Cash at bank and term deposits:				
AA+	13,000	7,000	13,000	7,000
AA-	31,321	24,493	32,872	24,497
BBB+	2,524	10,000	2,000	10,000
BBB	-	-	-	-
No credit rating	-	-	-	-
Total cash at bank and term deposits	46,845	41,493	47,872	41,497
New Zealand Local Government insurance stock				
No credit rating	504	504	504	504
Total New Zealand Local Government insurance stock	504	504	504	504
New Zealand Local Government Funding Agency				
AA+	996	836	996	836
Total New Zealand Local Government Funding Agency	996	836	996	836

Other interest bearing securities

Notes to the Financial Statements



	Council		Group	
	2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
AAA	-	-	-	-
AA	-	-	-	-
AA-	600	600	600	600
A+	-	-	-	-
A	-	-	-	-
A-	250	250	250	250
BBB+	-	-	-	-
No credit rating	332	332	332	332
Total other interest bearing securities	1,182	1,182	1,182	1,182
Derivative financial assets				
AA-	952	1,321	952	1,321
Counterparties without credit ratings				
Community and related party loans:				
Existing counterparties with no past defaults	1,949	1,917	1,949	1,917
Total community and related party loans	1,949	1,917	1,949	1,917

Debtors and other receivables mainly arise from the Council's statutory functions therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. The Council has no significant concentrations of credit risk in relation to debtors and other receivables as it has a large number of customers, mainly ratepayers, and the Council has power under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

PIF investments are spread over a large number of financial institutions, many of which are domiciled overseas. While a large number of these may have Standard & Poors, or similar ratings, no attempt is made to record or monitor these. Nor are their ratings necessarily used as criteria when making such investments.

Tasmanian Land Company Limited

Credit risk exposure is concentrated with the large milk supplied by the Group's Tasmanian farms, in particular Fonterra Australia (Bonlac Supply Company) Limited. This risk is minimised as receivable balances are received within 14 days of the month that the milk is supplied.

Liquidity Risk

Management of Liquidity Risk

Liquidity risk is the risk that the Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Council aims to maintain flexibility in funding by keeping credit lines available. In meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months. The Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management Policy. These policies have been adopted as part of the Council's Long-Term Plan. The Council has on call facilities with three separate banks totalling \$32m (2014: \$32m). There are no restrictions on the use of these facilities. At balance date no amount had been drawn down on these facilities (2014: \$0.3m).

Notes to the Financial Statements



The Council is exposed to liquidity risk as a guarantor of all of LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in Note 33 Contingencies.

Contractual Maturity Analysis of Financial Liabilities

The table below analyses the Council and Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Note	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	More than 5 Years \$000
Council 2015							
Creditors and other payables	24	23,939	23,939	23,939	-	-	-
Bank facilities		-	-	-	-	-	-
Secured loans	25	113,650	128,496	51,687	2,734	41,607	32,469
Financial guarantees	32	9	9	9	-	-	-
Derivatives		5,046	5,046	24	166	2,572	2,284
Total Council 2015		142,644	157,490	75,659	2,900	44,179	34,753
Group 2015							
Creditors and other payables	24	31,446	31,446	31,446	-	-	-
Bank facilities	25	71,906	71,906	71,906	-	-	-
Secured loans	25	114,602	128,995	52,186	2,734	41,607	32,469
Financial guarantees	32	9	9	9	-	-	-
Derivatives		5,046	5,046	24	166	2,572	2,284
Total Group 2015		223,009	237,402	155,571	2,900	44,179	34,753
Council 2014							
Creditors and other payables	24	19,722	19,722	19,722	-	-	-
Bank facilities		-	-	-	-	-	-
Secured loans	25	110,954	130,450	41,334	20,564	45,656	22,896
Financial guarantees	32	12	12	12	-	-	-
Derivatives		1,117	1,117	52	10	639	416
Total Council 2014		131,805	151,301	61,120	20,574	46,295	23,312
Group 2014							
Creditors and other payables	24	29,619	29,619	29,619	-	-	-
Bank facilities	25	69,060	69,060	69,060	-	-	-
Secured loans	25	112,107	131,603	42,929	21,122	45,656	22,896
Financial guarantees	32	12	12	12	-	-	-
Derivatives		1,117	1,117	52	10	639	416
Total Group 2014		211,915	231,411	140,672	21,132	46,295	23,312

Contractual Maturity Analysis of Financial Assets

The table below analyses the Council and Group's financial assets into relevant maturity groupings based on the remaining period at the balance date of the contractual maturity date.

Notes to the Financial Statements



	Carrying Amount \$000	Contractual Cash flows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	More than 5 Years \$000
Council 2015						
Cash and cash equivalents	16,035	16,035	16,035	-	-	-
Bank term deposits	30,810	31,188	31,188	-	-	-
Debtors and other receivables	17,819	17,819	17,819	-	-	-
Community and related party loans	1,949	3,365	218	212	511	2,424
Local authority stock	504	504	-	-	-	-
Short-term investments	1,182	1,316	378	296	326	316
Derivative financial assets	952	952	952	-	-	-
PIF investments*	253,275	253,275	253,275	-	-	-
NZ LGFA	996	996	-	-	496	500
Total Council 2015	323,522	325,450	319,865	508	1,333	3,240
Group 2015						
Cash and cash equivalents	17,091	17,091	17,091	-	-	-
Bank term deposits	30,810	31,188	31,188	-	-	-
Debtors and other receivables	25,726	25,726	25,726	-	-	-
Community and related party loans	1,949	3,365	218	212	511	2,424
Local authority stock	504	504	504	-	-	-
Short-term investments	1,182	1,316	378	296	326	316
Derivative financial assets	952	952	952	-	-	-
PIF investments*	87,884	87,884	87,884	-	-	-
NZ LGFA	996	996	-	-	496	500
Total Group 2015	167,094	169,022	163,941	508	1,333	3,240
Council 2014						
Cash and cash equivalents	6,242	6,242	6,242	-	-	-
Bank term deposits	37,670	38,418	38,418	-	-	-
Debtors and other receivables	12,125	12,125	12,125	-	-	-
Community and related party loans	1,917	3,419	216	210	520	2,474
Local authority stock	504	504	504	-	-	-
Short-term investments	1,182	1,316	378	296	326	316
Derivative financial assets	1,321	1,321	-	146	35	1,140
PIF investments*	217,966	217,966	217,966	-	-	-
NZ LGFA	836	836	-	-	176	660
Total Council 2014	279,763	282,147	275,849	652	1,057	4,590
Group 2014						
Cash and cash equivalents	6,988	6,988	6,988	-	-	-
Bank term deposits	37,670	38,418	38,418	-	-	-
Debtors and other receivables	20,399	20,399	20,399	-	-	-
Community and related party loans	1,917	3,419	216	210	520	2,474
Local authority stock	504	504	504	-	-	-
Short-term investments	1,182	1,316	378	296	326	316
Derivative financial assets	1,321	1,321	-	146	35	1,140
PIF investments*	86,452	86,452	86,452	-	-	-
NZ LGFA	836	836	-	-	176	660
Total Group 2014	157,269	159,653	153,355	652	1,057	4,590

Notes to the Financial Statements



* The PIF consists of a number of separate investments of different types. While there is not an intention to sell these as at this particular point in time, they may be realised depending on market circumstances. As a result no attempt has been made to categorise this asset into time buckets.

Sensitivity Analysis

The tables below illustrate the potential profit and loss and equity impact for reasonable possible market movements, with other variables held constant, based on the Council and Group's financial instrument exposures at balance date.

Interest Rate Risk

	2015 (\$000)				2014 (\$000)			
	-100bps		+100bps		-100bps		+100bps	
	Profit/ (Loss)	Other Equity	Profit/ (Loss)	Other Equity	Profit/ (Loss)	Other Equity	Profit/ (Loss)	Other Equity
Council								
Financial assets:								
- Cash and cash equivalents	(160)	-	160	-	(62)	-	62	-
- Bank term deposits	(308)	-	308	-	(377)	-	377	-
- NZ LGFA	-	-	-	-	-	-	-	-
- Other interest bearing securities and stock	-	-	-	-	-	-	-	-
- PIF investments	-	-	-	-	-	-	-	-
- Local authority stock	-	-	-	-	-	-	-	-
- Interest rate swaps	804	-	1,017	-	(89)	-	2,635	-
Financial liabilities:								
- Bank facilities	-	-	-	-	-	-	-	-
- Secured loans	-	-	-	-	-	-	-	-
- Interest rate swaps	(9,195)	-	(1,097)	-	(3,248)	-	906	-
Total sensitive to interest rate risk	(8,859)	-	388	-	(3,776)	-	3,980	-
Group								
Financial assets:								
- Cash and cash equivalents	(171)	-	171	-	(70)	-	70	-
- Bank term deposits	(308)	-	308	-	(377)	-	377	-
- New Zealand Local Government Insurance Corporation	-	-	-	-	-	-	-	-
- Other interest bearing securities and stock	-	-	-	-	-	-	-	-
- PIF investments	-	-	-	-	-	-	-	-
- Interest rate swaps	804	-	1,017	-	(89)	-	2,635	-
Financial liabilities:								
- Bank facilities	-	-	-	-	-	-	-	-
- Secured loans	-	-	-	-	-	-	-	-
- Interest rate swaps	(9,195)	-	(1,097)	-	(3,248)	-	906	-
- Tasman Farms Limited	679	679	(679)	(679)	704	704	(704)	(704)
Total sensitive to interest rate risk	(8,191)	679	(280)	(679)	(3,080)	704	3,284	(704)

Notes to the Financial Statements



Foreign Exchange and Equity Price Risk

	2015 (\$000)				2014 (\$000)			
	-10% Profit (Loss)	Other Equity	+10% Profit (Loss)	Other Equity	-10% Profit (Loss)	Other Equity	+10% Profit (Loss)	Other Equity
Council								
Financial assets foreign exchange risk:								
- PIF investments	29,388	-	14,369	-	6,028	-	(5,368)	-
Equity price risk:								
- PIF investments	(3,487)	-	3,487	-	(3,017)	-	3,017	-
Total sensitivity to foreign exchange and equity price risk	25,901	-	17,856	-	3,011	-	(2,351)	-
Group								
Financial assets foreign exchange risk:								
- PIF investments	29,388	-	14,369	-	6,028	-	(5,368)	-
- Tasman Farms Limited	435	17,691	(356)	14,474	934	26,883	(765)	(12,097)
Equity price risk:								
- PIF investments	(3,487)	-	3,487	-	(3,017)	-	3,017	-
Total sensitivity to foreign exchange and equity price risk	26,336	17,691	17,500	14,474	3,945	26,883	(3,116)	(12,097)

Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 100 bps is equivalent to a decrease in interest rates of 1%.

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -100bps/+100bps.

Explanation of foreign exchange risk sensitivity

The foreign exchange sensitivity is based on a reasonable possible movement in foreign exchange rates, with all other variables held constant, measured as a percentage movement in the foreign exchange rate.

Explanation of other price risk sensitivity

The sensitivity for listed shares has been calculated based on a -10%/+10% (2014: -10%/+10%) movement in the quoted bid share price at year-end for the listed shares.

Notes to the Financial Statements



Categories of Financial Assets and Liabilities

The accounting policies for financial instrument have been applied to the line items below.

	Note	Council		Group	
		2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
Financial assets at fair value through surplus or deficit designated upon initial recognition:					
- Perpetual Investment Fund	16	253,275	217,966	87,884	86,452
Total financial assets at fair value through profit or loss		253,275	217,966	87,884	86,452
Assets held to maturity:					
- Other shareholdings/bonds		850	850	850	850
Total assets held to maturity		850	850	850	850
Available for sale:					
- Local authority stock		996	836	996	836
- Derivatives		952	1,321	952	1,321
- NZ LGFA		504	504	504	504
Total available for sale		2,452	2,661	2,452	2,661
Loans and receivables:					
- Cash and cash equivalents	14	16,035	6,242	17,091	6,988
- Trade and other receivables	15	17,819	12,125	25,726	20,399
- Term deposits	16	30,810	37,670	30,810	37,670
- New Plymouth Airport Joint Venture loan	16	1,292	1,360	1,292	1,360
- Mortgages/other loans	16	989	889	989	889
Total loans and receivables		66,945	58,286	75,908	67,306
Financial liabilities measured at amortised cost:					
- Trade and other payables	24	23,939	19,722	31,446	29,619
- Bank facilities	25	0	0	71,906	69,060
- Secured loans	25	113,650	110,954	114,602	112,107
- Derivatives		5,046	1,117	5,046	1,117
Total financial liabilities measured at amortised cost		142,635	131,793	223,000	211,902

Fair Value Hierarchy Disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1): Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2): Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3): Financial instruments valued using models where one or more significant inputs are not observable.

The following tables analyse the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

Notes to the Financial Statements



Fair Value Hierarchy

	Note	Total \$000	Quoted Market Price \$000	Observable Inputs \$000	Significant Non- observable Inputs \$000
Council 2014/15					
Financial assets:					
- NZ Local Government Insurance Corporation		504	-	504	-
- PIF investments	16	253,275	38,183	8,318	206,774
- Derivatives		952	-	952	-
Total financial assets		254,731	38,183	9,774	206,774
Financial liabilities:					
- Derivatives		5,046	-	5,046	-
Total financial liabilities		5,046	-	5,046	-
Group 2014/15					
Financial assets:					
- NZ Local Government Insurance Corporation		504	-	504	-
- PIF investments		87,884	38,183	8,318	41,383
- Derivatives		952	-	952	-
Total financial assets		89,340	38,183	9,774	41,383
Financial liabilities:					
- Derivatives		5,046	-	5,046	-
Total financial liabilities		5,046	-	5,046	-
Council 2013/14					
Financial assets:					
- NZ Local Government Insurance Corporation		504	-	504	-
- PIF investments	16	217,966	29,114	12,444	176,406
- Derivatives		1,321	-	1,321	-
Total financial assets		219,791	29,114	14,269	176,406
Financial liabilities:					
- Derivatives		1,117	-	1,117	-
Total financial liabilities		1,117	-	1,117	-
Group 2013/14					
Financial assets:					
- NZ Local Government Insurance Corporation		504	-	504	-
- PIF investments		86,452	29,114	12,444	44,894
- Derivatives		1,321	-	1,321	-
Total financial assets		88,277	29,114	14,269	44,894
Financial Liabilities:					
- Derivatives		1,117	-	1,117	-
Total financial liabilities		1,117	-	1,117	-

There were no transfers between the different levels of the fair value hierarchy.

Notes to the Financial Statements



Derivative Financial Instruments

	Council		Group	
	2014/15 \$000	2013/14 \$000	2014/15 \$000	2013/14 \$000
Current asset portion:				
- Interest rate swaps	42	-	42	-
Non-current asset portion:				
- Interest rate swaps	910	1,321	910	1,321
Total derivative financial assets	952	1,321	952	1,321
Current liability portion:				
- Interest rate swaps	24	52	24	52
Non-current liability portion:				
- Interest rate swaps	5,022	1,065	5,022	1,065
Total derivative financial liabilities	5,046	1,117	5,046	1,117

Fair value

Gains and losses recognised in the hedging reserve in equity on interest rate swap contracts as at 30 June 2015 will be released to the surplus or deficit as interest is paid on the underlying debt. The Council and Group currently have no fair value hedges.

The fair values of forward foreign exchange contracts and interest swaps have been determined using a discounted cash flow valuation technique based on quoted market prices.

Interest rate swaps

The fair values of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters, such as interest rate yield curves. Most market parameters are implied from instrument prices.

The notional principal amounts of the outstanding interest rate swap contracts were \$127m (2014: \$124m).

At 30 June 2015 the fixed interest rates of the interest rate swaps vary from 3.98% to 6.63% (2014: 3.70% to 6.63%).

Note 38: Capital Management

The Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The LGA requires the Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The LGA requires the Council to make adequate and effective provision in its LTP and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The LGA also sets out the factors that

Notes to the Financial Statements



the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

Refer to Note 28 for further information on the Council special funds/reserves.

Note 39: Major Budget Variations

Explanations for major variations from the Council budget figures in the Annual Plan 2014/15 are as follows:

Statement of Comprehensive Revenue and Expense

A detailed operating result is found in the Statement of Comprehensive Revenue and Expense.

The Council enjoyed a strong financial performance recording a surplus of \$44.9m which was considerably higher than the budget surplus of \$10.4m. The primary driver of the significant variance to budget was the strong performance of the Perpetual Investment Fund (PIF), which was driven largely by a strong performance from the Tasmanian Farm investment and a weaker New Zealand dollar. This accounted for \$29.6m of the over performance and it should be noted that this is largely unrealised gains. The surplus was also helped by operational savings in personnel costs, depreciation and finance charges. The biggest contributor in this regard was the finance costs which were \$2.4m under budget. This was the result of lower interest rates than budgeted and lower borrowing due to the timing of the capital expenditure program. The result was also help by stronger operational revenue particularly in recreation and events, parks and solid waste.

Statement of Financial Position

	2014/15 Actual \$000	2014/15 Budget \$000	Variance	Comments
Cash and cash equivalents	16,035	(3,600)	19,635	The increase in cash and cash equivalents reflects a higher amount of cash being held in short term deposits compared to budget and also higher cash held to repay debt due in September 2015.
Non-current assets held for sale	167,375	3,340	164,035	Non-current assets held for sale was \$164m greater than budget. This represents the reclassification of the Council's investment in Tasmanian Land Company Limited (TLC) from a non-current investment to non-current asset held for sale. An active sale programme is currently underway for the disposal of these farms.
Other financial assets	123,325	94,220	29,105	This variance is result of exchange rate movements differing from budget. Also the mix of long term deposits varied from budget in order to meet cashflow requirements. TLC has been classified as held for sale as at 30 June 2015.
Tasmanian Land Company Limited	-	156,530	(156,530)	

Notes to the Financial Statements



	2014/15 Actual \$000	2014/15 Budget \$000	Variance	Comments
Property, plant and equipment	1,990,368	2,026,390	(36,022)	The delay in our capital programme has contributed to the variance with approximately \$13.3m of works to be carried forward into the next financial year. The revaluation of infrastructural assets took place a year earlier than budgeted and the increase in value was less than budgeted.
Public debt and other loans	113,650	127,990	(14,340)	Borrowings have not increased as expected due to the delay in our capital programme noted above.
Special funds/ reserves	80,356	56,850	23,506	Due to the timing of our capital works as outlined above, our depreciation reserves balances have increased. The sale of all Junction Road leasehold land in the previous financial year increased the Junction Road Reserve, contributing to the higher actual balance compared to budget.

Notes to the Financial Statements



Note 40: Significant Capital Projects

	Total Budget \$000	Total Expenditure to Date \$000	Variance \$000	Comments
Len Lye Centre Govett-Brewster Art Gallery renewals, earthquake strengthening and Building Act compliance	17,632	17,441	(191)	Contract works completed. Len Lye Centre opened July 2015.
New Cemetery site development	1,602	901	(701)	Stage 1 contract completed. Stage 2 contract on site and due to complete October 2015. New cemetery has to be operational by November 2017.
Cycle Strategy - Let's Go	8,240	6,251	(1,989)	Upper Huatoki Walkway upgrade and Coastal Walkway Extension completed. Construction contracts awarded for Bell Street and South Road. Design completed for Carrington Street upgrade. Carry forwards \$1.2m. Remainder of variance due to contract savings.
Waitara to NP sewer pipe and pump station	12,877	8,911	(3,966)	Waitara Pump Station conversion operational from October 2014. Carry forward of \$575,000 to complete in December 2015.
WWTP capacity upgrade Phase 2 - excludes Thermal Drier Renewal (years two and three of LTP).	11,669	1,125	(10,544)	Instrumentation and Electrical renewals completed. Currently in design phase for inlet works upgrade and de-watering plant renewals. Scheme will be completed 2016/17.

Note 41: Joint Ventures

The Council is involved in five joint venture agreements which are Council-controlled Trading Organisations.

Forestry

The Council is involved in four forestry joint venture agreements:

1. Tarata Ngatimaru Pukehou Joint Venture (60%).
2. Oakura Farms Limited Joint Venture (60%).
3. Duthie Joint Venture (54.8%).
4. McKay Joint Venture (56.5%).

Notes to the Financial Statements



The Council's interest in these joint ventures is disclosed in the financial statements under the classifications shown below.

	Council and Group	
	2014/15 \$000	2013/14 \$000
Fixed Assets		
Forestry	1,131	1,098
Share of assets employed	1,131	1,098
Share of surplus/(deficit)	19	(5)

Each forestry joint venture may be required to build infrastructure at the point of harvest from 2015.

Emission Trading Scheme - refer to Note 33 Contingencies.

New Plymouth Airport

The ownership and operation of New Plymouth Airport is undertaken as a joint venture between New Zealand Government (50 per cent) and the Council (50 per cent).

The Council's interest in the joint venture is disclosed in the financial statements under the classifications shown below.

	Council and Group	
	2014/15 \$000	2013/14 \$000
Fixed assets:		
- Land	7,069	7,069
- Buildings	801	854
- Furniture and equipment	8	2
- Infrastructure	5,847	5,856
Current assets:		
- Bank	266	225
- Sundry debtors	65	60
- Deferred tax asset	3	4
Liabilities:		
- Sundry creditors	(564)	(478)
- Deferred tax liability	(1,142)	(1,184)
Share of assets employed	12,353	12,408
Share of net expenses	1,085	943
Share of revenue	1,003	901

Notes to the Financial Statements



Note 42: Insurance Cover

	Cover	Sum Insured \$000
Total value of all assets covered by insurance contracts	Material damage and forestry	508,089
Total value of all assets covered by financial risk sharing arrangements	LAPP	627,697
Total value of all assets that are self-insured	Self-insurance	1,200

Note 43: Discontinued Operations

- a) Tasmanian Land Company Limited (TLC) is classified as a non-current asset held for sale at 30 June 2015 (see Note 23). Under PBE IFRS 5, a separate major activity classified as held for sale must be disclosed as discontinued operations. While TLC is for sale it continues to trade very strongly and is budgeted to further increase production in the current year on the back of last year's record production.
- b) Financial performance of TLC

	Group	
	2014/15 \$000	2013/14 \$000
Operating revenue		
Finance revenue	3	5
Other operating revenue	56,230	58,299
Total operating revenue	56,233	58,304
Operating expenditure		
Personnel costs	7,128	7,068
Other operating expenditure	40,039	32,837
Depreciation and amortisation expense	1,856	1,911
Finance costs	3,261	4,743
Total operating expenditure	52,284	46,559
TOTAL SURPLUS/(DEFICIT) BEFORE TAXATION	3,949	11,745
Taxation (expense)/refund	(950)	(3,639)
SURPLUS/(DEFICIT) AFTER TAXATION FROM DISCONTINUED OPERATIONS	2,999	8,106
Net cash flows from discounted operations		
Operating activities	4,632	3,064
Investing activities	406	(72)
Financing activities	(4,680)	(2,861)
Total net cash flows from discontinued operations	358	131

Notes to the Financial Statements



- c) Included in the Group Statement of Financial Position figures are the following assets, liability and equity balances for TLC.

	Group 2014/15 \$000
Current assets	
Cash and cash equivalents	536
Trade and other receivables	7,874
Inventory	41
Livestock and agricultural produce	42,309
Other financial assets	10
Memorabilia	1,634
Property, plant and equipment	208,380
Total current assets	260,784
TOTAL ASSETS	260,784
Current liabilities	
Trade and other payables	7,064
Public debt and other loans	72,858
Deferred tax liability	15,471
Total current liabilities	95,393
TOTAL LIABILITIES	95,393
Public equity	
Retained earnings	66,055
Currency fluctuation reserve	(14,941)
Asset revaluation reserve	114,277
Total public equity	165,391
TOTAL EQUITY AND LIABILITIES	260,784

Note 44: Subsequent Events

There are no subsequent events which will have a material impact on these financial statements (2014: Two subsequent events. Firstly, the revolving credit facility for Tasman Farms Limited was classified as a current liability. Subsequent to 31 May 2014 the company completed the annual review with the bank and the debt facilities were confirmed in writing on 25 September 2014. Secondly, legislation changes in relation to the Australian company tax rate.



Section 4 **Council-controlled Organisations**

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The following pages summarise the Statements of Intent (SOIs) for the 2014/15 year as required by the Local Government Act 2002 in respect of Council-controlled Organisations, i.e. those organisations over which the Council has a 50 per cent or more shareholding or level of governance control.

The purpose of an SOI is to:

- State publicly the activities and intentions of a Council-controlled Organisation for the year and the objectives to which those activities will contribute.
- Provide an opportunity for shareholders to influence the direction of the organisation.
- Provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.

The Council is a shareholder or has an ownership interest in the following Council-controlled Organisations:

- New Plymouth Airport Joint Venture.
- Four Forestry Joint Ventures.
- Taranaki Investment Management Limited.
- Tasmanian Land Company Limited.
- Venture Taranaki Trust.

New Plymouth Airport Joint Venture



Responsibility

Manager Property Assets

Summary of 2014/15 Statement of Intent

The New Plymouth Airport is a 50:50 joint venture between the Crown and the Council and is therefore deemed to be a Council-controlled Organisation. The Council holds the aerodrome operator's certificate and operates the airport on behalf of the joint venture.

The operation covers the provision, maintenance and operation of the land and facilities, including the runways and the terminal building, but excludes the control tower and navigational aids which are provided, maintained and operated by the Airways Corporation of New Zealand (ACNZ). Land not required for aircraft operations and the terminal is leased for hangars, aviation-related businesses and grazing.

The provision of airport infrastructure is essential to enhance the growth and economic development of the district and the Taranaki region and is an important aspect of residents' quality of life. While legally required to be operated as a business, the charges are set to cover the operating costs with only sufficient surplus to cover periodic extraordinary maintenance. No rates funding is currently required.

Apart from ongoing renewals, due to airport growth in passenger numbers a major refurbishment/upgrade is now being planned in relation to the existing airport terminal building. Funding for the project has been approved and is due to start early 2016 and aimed to be completed mid 2017. The \$11m of capital expenditure will be loan funded, and servicing of the loan for interest and capital repayments will be via landing charges, rental income and car parking fees. The Minister of Transport approved new aeronautical charges for Regular Traffic Providers (Airlines) which commenced on 3 May 2015.

Over the next two years, the airport's financial inspiration is to have sufficient income to cover all operating and capital costs with no new funding from either partner being required. This will be achieved by setting realistic fees/charges that will meet both short term and long term refurbishment and development costs.

A strategic and financial review of the airport was completed and reviewed by the Council in August 2010. As a result of this review, the Council instructed the Chief Executive to continue to work with the Crown to clarify its stance on future operational requirements and, in light of that, what ownership and governance model might best suit the New Plymouth Airport in the longer term. Further progress is expected to be made once the initial Crown position is made known to the Council during the 2015/16 financial year. Given the major investment now required in addressing growth and increasing demands upon airport management (CAA requirements and business growth), the resolution of what ownership and governance model is best suited is now urgent.

Performance Results for 2014/15

Below are the key objectives and performance indicators derived from the 2014/15 Statement of Intent.

1. To provide airport facilities to serve the needs of the Taranaki region:
 - To meet all operating costs, maintenance costs, asset replacement costs, and partners interest costs from revenue.

The operating costs \$1,543,623 (exec depreciation), maintenance costs and partners' interest costs have been met from revenue. In the 2009/10 year, the joint venture borrowed \$3.4m from New Plymouth District Council to go towards the airport runway refurbishment. The interest on this loan to date has all been met from revenue.

New Plymouth Airport Joint Venture



- Maintain facilities to avoid any diversion or cancellation of scheduled flights other than for weather or airline problems

Facilities have been maintained through the year and there were no diversions or cancellations of scheduled flights caused by the management of the airfield.

- By continuing to develop a business plan

A new 10 year airport master plan and a preliminary design by Beca Airport and Jackson Architects, for the terminal building expansion have been approved by the Joint Venture Partners.

2. To operate the New Plymouth Airport in full compliance with the approved operating procedures so as to achieve a clean audit report from the Civil Aviation Authority of New Zealand.

The New Plymouth Airport Joint Venture operates under the Civil Aviation Rule Part 139 and is subject to an annual audit by the Civil Aviation Authority. The audit report dated 18 September 2014 advised that the airport and rescue services were meeting standards, with no findings against the airport. Airways Corporation continues to provide an air traffic control service at New Plymouth that meets Civil Aviation requirements.

Significant policies and obligations on ownership and control

The joint venture was deemed to be a Council-controlled Organisation rather than created as such. It is essentially seen as a self-funding operation providing an essential service to the district and wider region. There is no formal board structure but the Council fulfils this governance role.

Financial Plan

	Actual 2014/15 \$000	Budget 2014/15 \$000	Projected 2015/16 \$000	Projected 2016/17 \$000
Operating revenue	2,006	2,094	2,723	4,102
Operating expenditure	2,170	2,202	3,022	3,048
Net profit/(loss)	(164)	(108)	(299)	1,054

Forestry Joint Ventures



Responsibility

Chief Financial Officer

Summary of 2014/15 Statement of Intent

The Council has four joint venture forestry developments that have varying levels of Council ownership (55 to 60 per cent) and are therefore deemed to be council-controlled organisations. For convenience they are covered by one 'combined' statement of intent. The woodlots will complement the harvest regime of the Council's own forestry investment activities.

Forest plantations have been established under the following agreements:

Tarata Ngatimaru Pukehou Joint Venture (60 per cent)	6.8 hectares
Ōākura Farms Limited Joint Venture (60 per cent)	37.7 hectares
McKay Family Joint Venture (56.5 per cent)	83.5 hectares
Duthie Joint Venture (54.82 per cent)	22.7 hectares

A total of 150.7 hectares of forests are managed under joint venture agreements in which the landowner provides land and property related inputs, the Council provides management and tending programmes for the crop and both parties share the returns from the forest harvest on an agreed ratio of respective inputs (revenues will not flow until 2015 at the earliest).

The Council's longer term objective for these investments is to review its involvement after each joint venture is harvested.

Key annual objective and performance indicator

Trees are managed in accordance with accepted silvicultural practice.

All programmes outlined in the Forestry Management Plan for 2014/15 have been completed.

Significant policies and obligations on ownership and control

These joint ventures were originally set up to augment the harvest rotation for Council-owned forestry. The Council will currently retain the joint ventures to harvest then review its future position. There is no formal board structures.

Financial Plan

	Actual 2014/15 \$000	Budget 2014/15 \$000	Projected 2015/16 \$000	Projected 2016/17 \$000
Council funding support	24	25	24	24

Taranaki Investment Management Limited



Responsibility

Chief Financial Officer

Summary of 2014/15 Statement of Intent

Taranaki Investment Management Limited (TIML) is a hundred per cent owned company with independent directors. The Council contracts TIML for the provision of an investment management role in respect of the Council's Perpetual Investment Fund (PIF), and an advisory role when requested in respect of the Council's other investments in the airport and various forestry ventures.

Key annual objectives and performance indicators

To meet its obligations in respect of the management of the PIF as set out in a contract with the Council.

To act for or assist the Council in its role as a diligent, constructive and enquiring shareholder/investor in respect of its other investments.

To protect and enhance the income streams from, and the value of, the investments.

Performance indicators

To meet the above objectives through the following means:

1. Provide a quarterly report to the shareholder providing the information outlined in the contract in respect of the Perpetual Investment Fund and the Council's other investments.

All required reports were provided in a full and timely manner to the Council through meetings and in writing.

2. Provide timely advice to the shareholder on any significant developments that may have an impact on the investments in terms of either the income stream to the Council or the value of the Council's investments.

Advice was provided in a full and timely manner to the Council.

3. Review the Council's other investments when requested and advise the Council on its position with regards to hold/growth/divestment strategies.

The Council did not request advice on its non-PIF investments during the year.

Significant policies and obligations on ownership and control

TIML was originally set up in 2000 as a purely advisory company to the Council in its various equity-based investments. It now manages the Council's PIF while still retaining an advisory role on other investments. Formal board structure with normal appointments is made by the Council.

Financial Plan

	Actual 2014/15 \$000	Budget 2014/15 \$000	Projected 2015/16 \$000	Projected 2016/17 \$000
Operating revenue/expenditure	1,368	1,417	1,452	1,488
Net profit	-	-	-	-

Tasmanian Land Company Limited



Principal activities

The principal continuing activity of the Company is dairy farming. No significant change in the nature of these activities occurred during the year.

Facts at a glance

	2015	2014
Sales revenue	\$56.2m	\$58.3m
Net surplus/(deficit) after tax	\$3.0	\$8.1m
Shareholders' funds	\$165.4m	\$133.3m
Interest bearing debt (excluding tax liability)	\$72.9m	\$70.4m
Earnings per share (A\$ cents)	3.1	9.4
Dividend per share (A\$ cents)	2.8	0.0

The overall result for Tasmanian Land Company Limited and its subsidiaries ('the Company') was a net profit after tax of NZ\$2.99m.

The trading result reflected record production of 7.66m kilograms of milk solids and was 14.0 per cent ahead of the preceding year. The Group remained the largest single supplier of milk in Australia.

The Group's average farm gate milk price for the year ended 31 May 2015 was A\$6.33 per kgMS, a decrease of 9.6 per cent from A\$7.00 per kgMS for the year ended 31 May 2014.

At the date of this report, milk production is approximately 5.1 per cent above last year due to the good cow condition at calving, improved productivity, and a larger proportion of our herd autumn calving. The Group's milk processor announced its opening price for the 2015/16 season at A\$5.60 per kgMS.

Livestock Owned

	2015	2014
Dairy cattle including replacements	31,098	29,279
Valuation	\$38.5m	\$38.2m
Beef cattle	1	65
Sheep	0	87

Property Owned

	2015 (\$m)	2014 (\$m)
Land and buildings	203.7	196.3
Plant and equipment	4.7	4.7

Shares

Tasmanian Land Company Limited is a privately held company and is not listed on either the New Zealand or Australian stock exchange.

Tasman Land Company Limited



Board operations and membership

The board comprises four directors: a non executive chairman and three non executive directors. The company's constitution sets out policies and procedures on the operation of the board, including the appointment and removal of directors.

The board normally meets six times a year including once a year for an extended strategic planning meeting.

Board committees

The board has one formally constituted committee detailed as follows.

Audit and Risk Committee

The committee's responsibilities are to:

- Oversee the existence and maintenance of internal controls and accounting systems.
- Oversee the financial reporting process.
- Nominate the external auditors.
- Review the existing external audit arrangements.

Role of the board

The Board of Directors of Tasmanian Land Company Limited the ('Company') is elected by the shareholders to supervise the management of the Company and its subsidiary companies (the 'Group'). The board establishes the Group's objectives, annual budgets and the overall policy framework within which the business is conducted. The board monitors management's performance relative to these goals and plans, and has delegated the day-to-day management of the Group to the Chief Executive.

The board has the obligation to protect and enhance the value of the assets of the Company. It achieves this through the approval of the appropriate corporate strategies, with particular regard to portfolio composition and return expectations, including the approval of transactions relating to acquisitions and divestments and capital expenditures above delegated authority limits, financial and dividend policy and the review of performance against strategic objectives.

Committees established by the board review and analyse policies and strategies, usually developed by management, which are within their terms of reference. They examine proposals and, where appropriate, make recommendations to the full board. Committees do not take action or make decisions on behalf of the board unless specifically mandated by prior board authority to do so.

The chairman's role is to manage the board effectively, to provide leadership to the board, and to interface with the Chief Executive.

The composition and terms of reference of the board, the chairman, the committees and the Chief Executive are reviewed annually by the board. The chairman annually assesses the effectiveness of the board and its committees.

The chairman of the board, with the assistance of the Chief Executive, establishes the agenda for each Board of Directors meeting.



Tasmanian Land Company Limited

Performance against Statement of Intent targets

The Statement of Intent issued by Tasmanian Land Company Limited last year in respect of the 2014/15 financial year included several performance measures including cows milked, hectares in production and kilograms of milk solids produced.

	Actual 2014/15	Budget 2014/15	Projected 2015/16	Projected 2016/17
Milk production (kgMS)	7.66m	6.75m	8.00m	8.16m
Effect dairy area (hectares)	7,062	7,124	7,220	7,220
Peak cow numbers	17,809	18,425	18,600	18,800

The Group milked 17,890 cows on 25 farms having a total effective area of 7,062 hectares for total production in the year ended 31 May 2015 of 7.66m kgMS (2014: milked 18,090 cows on 25 farms having a total effective area of 7,009 hectares for production of 6.76m kgMS).



Responsibility

Group Manager Strategy

Summary of 2014/15 Statement of Intent

Venture Taranaki Trust (VTT) is the economic development agency for the New Plymouth District and was incorporated under the Charitable Trusts Act 1957.

Since 1 July 1998, the Trust has been solely responsible for delivering the Council's economic development initiatives. From 1 July 2004 Venture Taranaki acquired responsibility for regional tourism promotion. The Trust is now a Council-controlled Organisation of the Council.

Venture Taranaki Trust's objectives as stated in the Trust Deed are to:

- Provide leadership and support for the development and implementation of local, regional and national strategies for the creation of a vibrant and prosperous New Plymouth District economy and the Taranaki regional economy.
- Facilitate, promote, encourage and support sustainable business growth, investment and employment opportunities in New Plymouth District and regional Taranaki.
- Support and recognise the district's commercial enterprise, large and small, mature or start-up to establish, flourish and prosper.

Performance targets

1. Team: Maintain a regional economic intelligence unit and undertake one Team Taranaki submission on key regional issue..

Achieved. During the year VTT researched and published two editions of 'Taranaki Trends'. VTT surveyed and published two 'Business Surveys' and submitted to MBIE on Accommodation Survey Review.

2. Team: Maintain connections across www.taranaki.info and social media channels (all themes and priority areas).

Achieved. Venture Taranaki's www.taranaki.info website visits increased by 17.45 per cent, 'Biz 2 Biz' facebook followers up 46 per cent, 'Taranaki Like No Other' facebook followers increased 13 per cent and Twitter followers increased 20 per cent.

3. Gateway: Support one gateway project per year.

Achieved. VTT supported New Plymouth, Stratford and South Taranaki district councils in preparing registrations of interest for the ultrafast broadband and mobile black spot fund initiatives. VTT assisted Port Taranaki exploring opportunities to reinstate a container shipping service via the Port. VTT worked with the Council in its strategic plan for the New Plymouth Airport and provided input to NZTA's SH3 North strategic business case and assisted Taranaki Regional Council with coordination of a stakeholder tour of SH3 North and affected commercial parties.

4. Foundation: Facilitate \$500,000 investment into regional business subject to central government policy.

Achieved. Venture VTT facilitated total investment of research and development investment into regional businesses in 2014/15 year to \$1,401,192.



5. Foundation: Achieve >80 per cent client satisfaction in regard to business support services.
Achieved. Satisfaction survey of clients receiving business support services in 2014/15 year found 91.2 per cent of respondents either satisfied or very satisfied with business services.
6. Foundation: Support two key wealth creating industry groups.
Achieved. VTT provided support into both Oil and Gas Specialist Technologies Group and international Education Group.
7. Frontier: Support one project with high impact potential aligned with the regional growth agenda.
Achieved. Initiated the Pouakai Crossing Project team, in conjunction with Taranaki Regional Council, New Plymouth District Council, Department of Conservation and Te Atiawa iwi, and researched the feasibility of the route. The Pouakai Crossing is a highly attractive one day walk in Egmont National Park that has the potential to develop into a visitor attraction of comparable scale to the Tongariro Crossing (which has approximately 100,000 walkers per year).
8. Talented: Invest \$140,000 in management capability building for Taranaki SMEs.
Achieved. 2014/15 year total investment \$341,444.
9. Desirable: Attract or retain five major events meeting New Plymouth District Council criteria (>100 points) based on \$850,000 event fund.
Achieved. ITU World Cup Sprint Distance Race, Powerco Garden Spectacular, 2015 NZ Home Loans Surf Fest, WOMAD 2015, Wells Half Ironman, Sting and Paul Simon Concert, TropFest, AmeriCARna, Steelformers around the Mountain Relay and International Festival of the Arts.
10. Desirable. Provide a minimum of six pieces of regional collateral to inspire the communities of Taranaki.
Achieved. Official Visitor Guide for Taranaki, Forgotten World Highway, Surf Highway 45, Taranaki Parks and Gardens, Taranaki Museums and Galleries and Taranaki - A Walkers Guide, Like No Other Conference Magazine and Taranaki Event Toolkit.

Financial Plan

	Actual 2014/15 \$000	Budget 2014/15 \$000	Projected 2015/16 \$000	Projected 2016/17 \$000
Operating expenditure (NPDC funded)	2,724	2,705	2,726	2,787





Section 5 **Your Council**

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e richard.jordan@npdc.govt.nz



Councillor
Craig McFarlane
North Ward
p 754 8123 (h)
p 754 8631 (w)
e craig.mcfarlane@npdc.govt.nz



Councillor
Marie Pearce
South-West Ward
p 756 7977
e marie.pearce@npdc.govt.nz



Councillor
Howie Tamati
New Plymouth City Ward
p 751 1220
e howie.tamati@npdc.govt.nz



Councillor
Roy Weaver
New Plymouth City Ward
p 027 434 3634
e roy.weaver@npdc.govt.nz

Community Board Members



CLIFTON COMMUNITY BOARD

Ken Bedford (Chairperson)
p 752 3801
e kennyb.major@xtra.co.nz

John Hill
p 752 3861
e john44hill@gmail.com

Judy Ransom JP
p 752 3533
e judithr11@slingshot.co.nz

Elaine Selby
p 752 5944
e geselby@farmside.co.nz

INGLEWOOD COMMUNITY BOARD

Phillip Rowe (Chairperson)
p 756 8055
e pandjrowe@actrix.co.nz

Jenny Bunn
p 756 8007
e jenny@taranakiharcourts.co.nz

Donald McIntyre
p 762 4701
e donald.mcintyre@xtra.co.nz

Kevin Rowan
p 756 7607
e kevin@rowans.net.nz

KAITAKE COMMUNITY BOARD

Doug Hislop (Chairperson)
p 752 7324
e douglashislop@gmail.com

Paul Coxhead
m 752 7559
e pcoxhead@ymail.com

Mike Pillette
p 752 7059
e mikelynn@xtra.co.nz

Keith Plummer
p 752 7050
e keithplummer@clear.net.nz

WAITARA COMMUNITY BOARD

Joe Rauner (Chairperson)
p 754 8623
e joescycles@xtra.co.nz

Trevor Dodunski
p 754 7157
e tgdodunski@gmail.com

Andrew Larsen
p 754 4942
e thelarsens@slingshot.co.nz

Bill Simpson
p 754 4201
e wsimpson@xtra.co.nz

Council Committee Structure



The Council, its standing committees and community boards meet on a six-weekly cycle or as required. The standing committees have delegated authority from the Council to make final decisions on certain matters, and they make recommendations to the Council on all others.

Committees and their objectives

Monitoring Committee

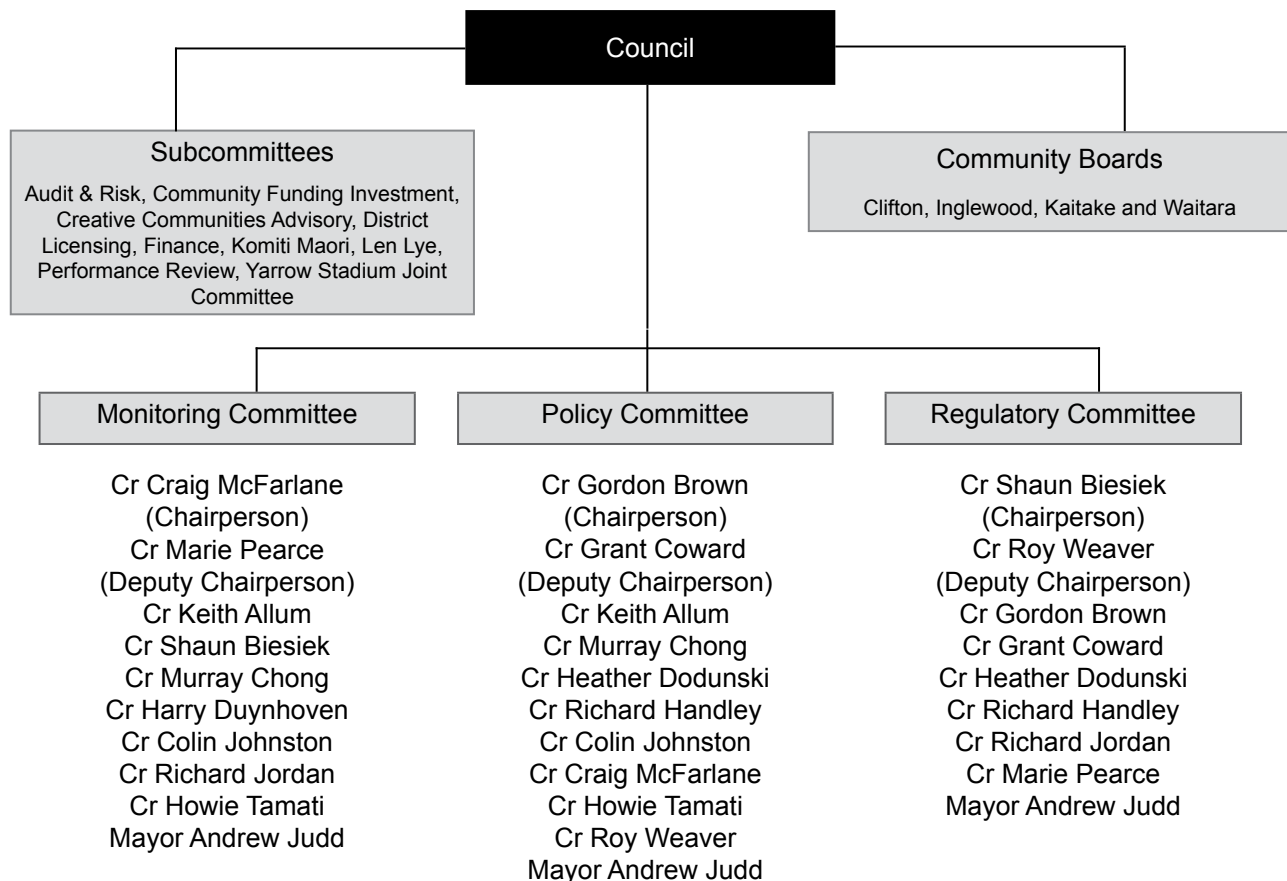
Ensures effective and efficient implementation of the Long-Term Plan, Annual Plan, Annual Report, delivery of services and asset management in accordance with the approved plans and policies. Monitors the Council's performance, progress and financial position against, and ensures all activities comply with, legislation, strategies, policies and plans.

Policy Committee

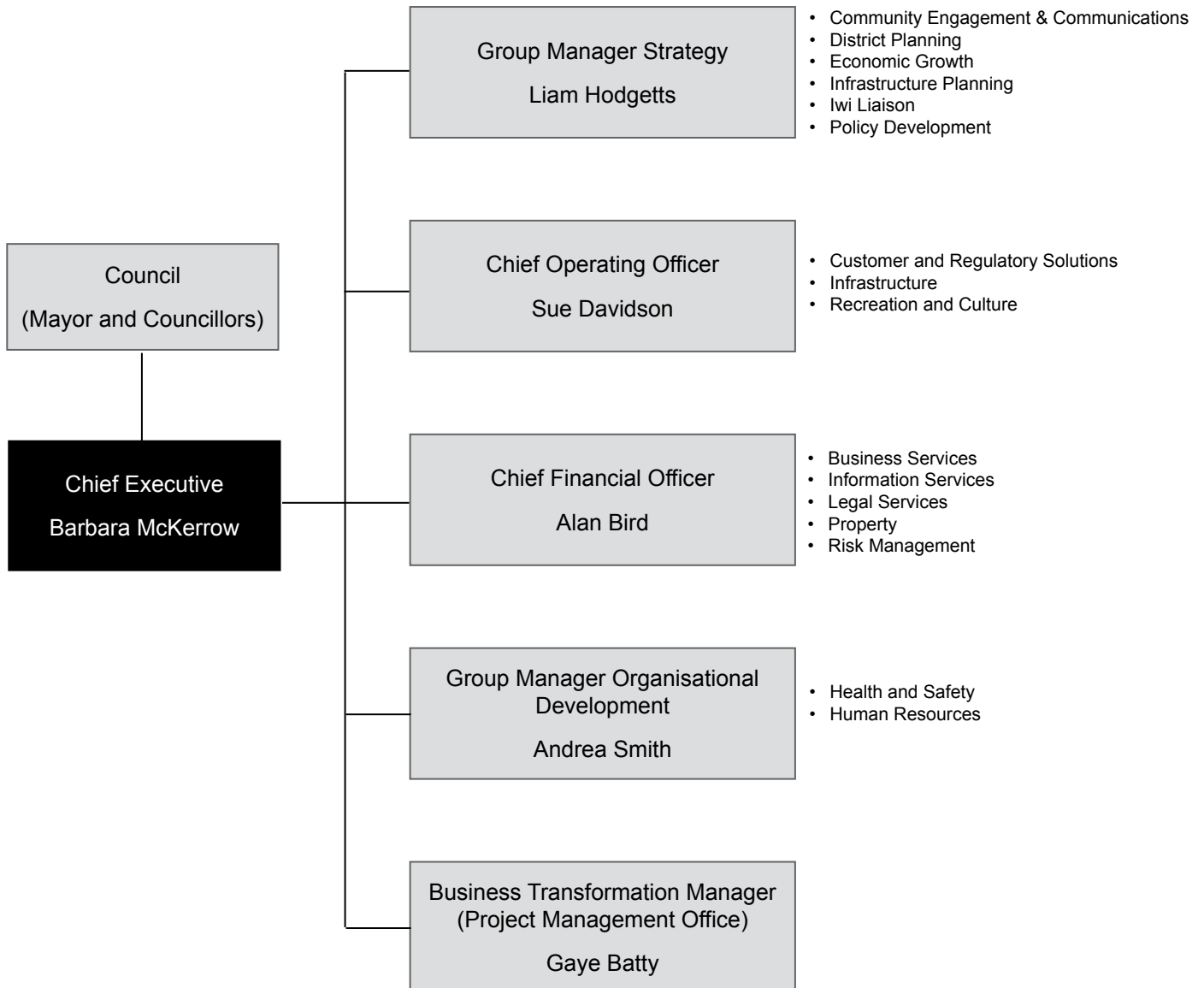
Develops strategies, policies and plans for the Council to promote the district's Community Outcomes and priorities and considers matters that are not the function of another committee.

Regulatory Committee

Ensures effective and efficient exercise of statutory regulatory functions, implementation of the District Plan and enforcement of the Council's bylaws, regulations and policies. Oversees, coordinates and directs the development and review of the District Plan.



Organisational Structure



COUNCIL SERVICES CONTACT DETAILS

CUSTOMER SERVICES CALL CENTRE

Telephone 06-759 6060 (one number for all Council services).

All enquiries 24 hours, seven days per week.

Civic Centre

Liardet Street, Private Bag 2025, New Plymouth 4342

Facsimile: 06-759 6072

Monday to Friday 8.00am to 5.00pm

Bell Block Library and Service Centre

Parklands Avenue, Bell Block 4312

Monday, Wednesday, Friday 9.00am to 5.00pm

Tuesday, Thursday 9.00am to 6.00pm

Saturday 9.00am to noon

Inglewood Library and Service Centre

Rata Street, Inglewood

Monday, Tuesday, Thursday 9.00am to 5.00pm

Wednesday and Friday 9.00am to 6.00pm

Saturday 9.00am to noon

Waitara Library and Service Centre

17 Queen Street, Waitara

Monday, Wednesday, Friday 9.00am to 5.00pm

Tuesday, Thursday 9.00am to 6.00pm

Saturday 9.00am to noon

Online information

Internet address: www.newplymouthnz.com

Email: enquiries@npdc.govt.nz

