



He Pūrongo i Mua I Ngā Pōti Pre-election Report 2022

He kōrero mā ngā kaipōti me ngā kaitono pōti
Information for voters and potential candidates



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

Ihirangi
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He Karere nā Te Tumu Whakarae Kairiwhi
Message from the Acting Chief Executive



When the going gets tough, the tough stand for election and help shape our Sustainable Lifestyle Capital.

And times are challenging, so if you're thinking of throwing your hat in the ring, this year's local elections are a chance to prove your mettle. Being New Zealand's Sunshine Capital hasn't shielded us from the storm that's lashing the rest of the country and the world.

The next three years could be a bumpy ride as we focus on the big picture and oversee a \$185 million annual budget, \$3.5 billion worth of assets and 16 different business units for our residents.

We've had more than two long years of Covid and now rising fuel costs, supply chain issues, inflation and unease on the global political front are hitting our pockets at the petrol pump, supermarket and NPDC's ability to deliver on infrastructure and other projects. The war in the Ukraine and the aftermath of Covid are major contributors to these issues and with no end in sight it's something we're going to have to adapt to and deal with.

The mix around our governance tables is changing too, with our first Māori ward councillor and changes to our voting boundaries. Residents of Puketapu-Bell Block are also looking forward to electing their first ever community board, which will give them a more direct say in their community and in the Council.

All this means being efficient, investing wisely and focusing on delivery for our residents, who understandably expect us to put in the hard mahi to keep the course.

NPDC's strategic goal of building a Sustainable Lifestyle Capital sets a high bar, especially as we move into a post-Covid world. When we were named the Livcom Most Liveable City in 2021, it was the second time we picked up this global accolade. That achievement was followed NPDC's Bowl of Brooklands being named Aotearoa's Best Big Venue

and New Plymouth Airport's new terminal, Te Hono, taking the special prize for an airport exterior at the international Prix Versailles Airports awards, reflecting the success that can come from working with mana whenua.

Continual improvement and creating a place where people want to live, work and raise their kids also means making big calls. NPDC's 10-Year Plan last year committed us to a \$248m investment in Fixing our Plumbing, \$40m for the proposed Multi-Sport Hub for our kids and \$38m for Greening our Place with more urban forest and extending our award-winning Coastal Walkway.

Balancing these decisions with affordable rates can be a high-wire act, and it's only possible with strong financial management. Our success in turning rates and other revenue into assets and services that benefit all our residents has built confidence in our future. International ratings agency S&P Global has given us an independent tick of approval with an AA+ credit rating, the highest possible rating for local government in New Zealand. It's backed by our Perpetual Investment Fund, our district's nest egg which offsets rates by around \$9m a year.

A prudent hold on the purse strings also lets us act fast when the unexpected happens. For example, as we emerged from the first Covid lockdown in 2020 we hit the ground running to help our residents and businesses with a \$20m Back On Our Feet package that included rates relief and cuts to fees and charges.

So if you're thinking of coming aboard, this report is your first high-level briefing on our vision, the current state of play and the challenges ahead. This report is a grounding in what you'll need to know to work effectively around the governance table to shape the future of our District and we encourage you to take a stand!

Jacqueline Baker
Acting Chief Executive



Tō Tātou Whakataratara

Our challenges

Five key challenges require all our focus. There are more, and always will be. But these are the challenges our aspiring elected members should be thinking and talking about during the election period.

Challenge 1

Central Government Reforms

The Government is planning major reforms affecting the future of local government and NPDC. The Three Waters Reforms, the RMA Reforms, Climate Change responses and the Future for Local Government Review are all at different stages with different impacts on NPDC. It is clear that the role and functions of NPDC will change over coming years, but how is still murky.

Our elected members over the next three years will need to decide how to respond. Do we lobby the Government to change their proposals, or accept and adapt to the reforms? We need to put our community's best interests at the top of our response. We need to be realistic about what we can deliver, particularly given our historic issues managing Three Water assets.

NPDC embarked on a 10-year work programme with the [Long-Term Plan \(LTP\) 2021-2031](#). We're looking at nearly \$1 billion in capital investments over the decade. About half of this programme is the replacement of existing assets, but population growth will continue to increase pressure on Council services along with the need to respond to ever more central government regulation. Our residents also have higher expectations around investments in sustainability and well-being initiatives.

NPDC will need to make some big calls that will challenge our community and elected members over the next three years. As the lead adviser to our elected members, I'm placing these challenges before our candidates and community now as a focus of the election debate.

Challenge 2

Economic challenges

Taranaki's economy is heavily reliant on the oil and gas and dairy sectors. Both are facing increasing challenges as Government and a significant part of the population look to tighten environmental regulation. We have also seen our economy come under sustained pressure from Covid-19 lockdowns and social distancing restrictions.

The Government has decided to prohibit further offshore oil and gas exploration and to limit onshore exploration. The freshwater and climate change reforms will have significant implications for our dairy industry and farming in general.

NPDC has a role in supporting sustainable prosperity. We own and fund Venture Taranaki to support our economy. The implications of reforms, along with the increasing potential for disruption such as inflation and supply chain issues could create significant issues for the economy, community and the Council.

The whole region, not just NPDC, needs to step up and fund Venture Taranaki properly to tackle these challenges.

Challenge 3

Responding to climate change

Climate change is predicted to increase our natural hazard risks, particularly in coastal and flood-prone areas, as well as potentially creating more drought conditions.

NPDC has been developing plans to tackle climate change – both to reduce emissions and to adapt to the predicted impacts. The Government has also committed New Zealand to being net-carbon zero by 2050 and is developing a national adaptation plan, both of which will significantly impact both our community and the Council in coming years.

The Council will have some tough decisions to make over the next three years in deciding how to respond to climate change. We need to be upfront and realistic that this may bring significant costs and lifestyle changes for our residents. But, without action, the costs of disaster recovery could be much greater.



Challenge
4

Infrastructure and service challenges

In recent years, NPDC has faced a backlog of infrastructure and service issues that need to be resolved.

Over the last two LTPs (2018-2028 and 2021-2031), we have been upfront and open about our challenges with our water assets. A programme of improvements has been developed to address the backlog in investment in replacing end-of-life assets and making our water networks more resilient. The Three Waters Reforms would, if they go ahead, accelerate some of this work but through a new water entity.

We also need to be realistic about the state of some of our other services. The sports community has been clear for many years that TSB Stadium is undersized, and the construction of the Tūparikino Active Community Hub over the next three years is proposed to address this. Similar challenges exist for other Council services, particularly the Todd Energy Aquatic Centre.

Making sure our services are what our community needs and deserves will invariably come at a cost.

Challenge
5

Battling through

The global outlook is causing significant disruption in our economy. Inflation is running high, supply chains are disrupted, people are isolating with Covid for a week at a time, and the economy is beginning to falter.

These challenges are causing significant headaches within NPDC as well. Our ability to deliver services is being stretched, capital projects are running behind schedule, and costs are coming in high. This is a particular problem when we are investing significantly in our district's future.

Next year's budget – our Annual Plan 2023/24 – will be the first for the new Council. It will also be one of the most difficult to bring together. Our LTP forecast a rates increase of 7% in order to invest in improving services. But that was on the basis of inflation being no higher than 3%. Now inflation is more than double that at almost 7%. We will have to make tough calls – do we increase rates further, or start cutting key projects? Our budget simply can't cover our current work programme.

Vision

Sustainable Lifestyle Capital

Mission

To provide our people with an innovative and resilient district that restores mauri, protects our environment and supports a successful economic transition, while providing quality infrastructure and leadership through operational excellence

Goals

				
Partnerships	Delivery	Community	Sustainability	Prosperity
Strengthening a treaty based partnership with tangata whenua and building partnerships with not-for-profit, private enterprise, and government to improve outcomes for all	Understanding and balancing our people's needs and wants through prudent delivery of quality infrastructure and services	Achieving wellbeing through a safe, creative, active and connected community while embracing Te Ao Māori	Nurturing our environment, mitigating our impact and adapting to climate change	Growing a resilient, equitable and sustainable economy where people want to work, live, learn, play and invest across our district

Te Kaupapa o Te Kaunihera-ā-rohe o Ngāmotu
NPDC's Vision

Ultimately, we will continue to prioritise our services and our projects. The Council needs to have a vision for the community in order to tackle these challenges.

Our Council vision, mission and goals have evolved over the years. I'm challenging the incoming Council next term to continue to build on New Plymouth District's reputation as the Sustainable Lifestyle Capital.

Our district offers so much to build on: spectacular natural beauty from Taranaki Maunga to the moana, thriving towns and communities, a productive rural sector, some excellent recreational and cultural facilities and of course great people.

District spans
2,205 km²
with
36,000
rateable properties

Population
as at 30 June 2021
87,300
By 2031 expected to
grow to
94,000

Investment
Fund
\$339 million
offsetting rates by
around **\$9m**

Parks & Open Spaces
1,600 hectares
12.7 km
Coastal Walkway



Govett-Brewster
Puke Ariki
5 libraries
Mobile library



Roads
1,200 km



GDP
\$6.7 billion
per year

140
Housing for
the Elderly
units



800 km
Three Waters pipes
4 Water
Treatment Plants



Award-winning
Airport



Councils are made up of two parts:

- **Governance (Mayor and Councillors)**
- **Organisation (Chief Executive and staff)**

The Governance part comprises the Council with 15 elected members (the Mayor plus 14 Councillors). We also have five community boards, each with four board members and a Councillor.

While central government makes laws, Councils make bylaws. These are rules that apply only to our district.

Formal decisions are made at Council, Council committee or Community Board meetings. Officers provide information, advice and recommendations at those meetings but only Elected Members can make the final decisions on major issues. The Council determines which body will make decisions on different issues.

The Mayor and Councillors employ the Chief Executive. The Chief Executive employs around 700 staff to deliver our services.

Our planning cycle

Every three years, the Council adopts an LTP that sets out the priorities, budget and levels of service for the next decade. You can see a copy at npdc.govt.nz. Every candidate standing for NPDC should be familiar with our LTP.

Any short-term changes to the plans and budget are laid out in the subsequent Annual Plans.



Hinonga Nunui

Major projects

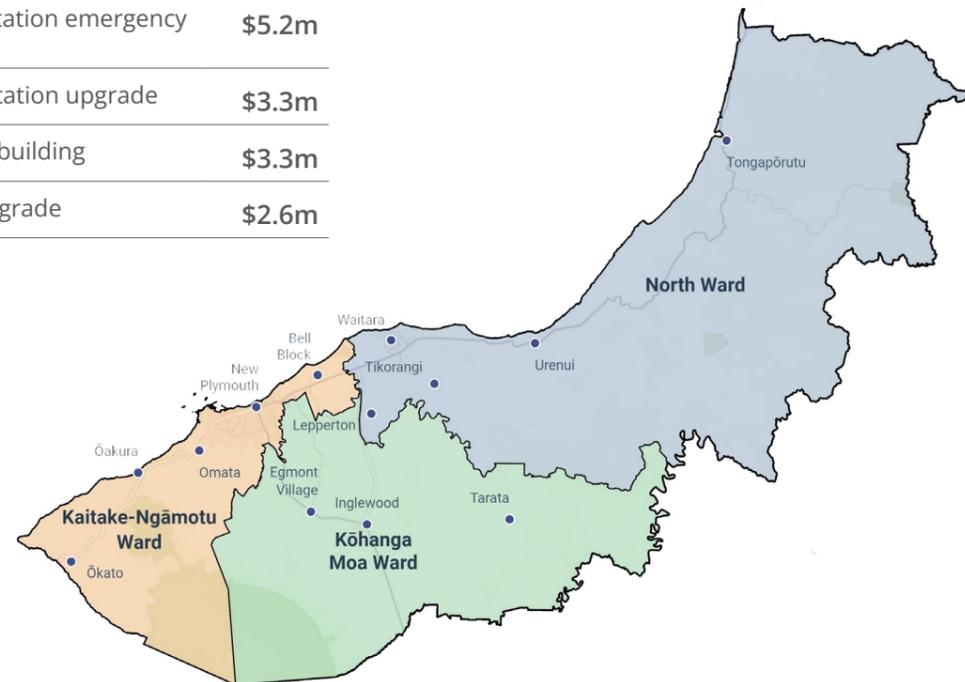


Our LTP 2021-2031 outlined capital expenditure of over \$960m over the 10 years. Over half of that expenditure is to look after our existing assets and just under 10% provides infrastructure for our growing population.

Below is a selection of major projects over the next three years. The LTP 2021-2031 has the full list of significant projects. These projects have not just been selected on their cost, but also their benefits to the community. Of course, they are subject to change with the LTP 2024-2034.

Note: The costs in this table outline the full cost for these projects over the full 10 years.

DISTRICT-WIDE		KŌHANGA MOA WARD	
Water meters	\$15.5m	Windsor Walkway safety improvements	\$0.3m
Three Waters renewals	\$248m	North Egmont carpark	\$1.2m
KAITAKE-NGĀMOTU WARD		NORTH WARD	
Wastewater Treatment Plant thermal dryer facility	\$45.1m	Urenui and Onaero sewer system	\$29.2m
Tūparikino Active Community Hub	\$38.5m	Coastal Walkway extension to Waitara	\$28.3m
Centre City Strategy implementation	\$11.7m	Waitara stormwater upgrades	\$20.2m
Corbett Park Pump Station upgrade	\$5.6m	Waitara Library redevelopment	\$9m
Mangati Sewage Pump Station emergency storage	\$5.2m		
Shearer Reserve Pump Station upgrade	\$3.3m		
The Junction permanent building	\$3.3m		
Junction Street bridge upgrade	\$2.6m		



Te Kaunihera Tahua

Council's finances

Disclosures

Most of the financial information in this report has been reviewed by independent auditors either as part of previous Annual Reports or the LTP 2021-2031.

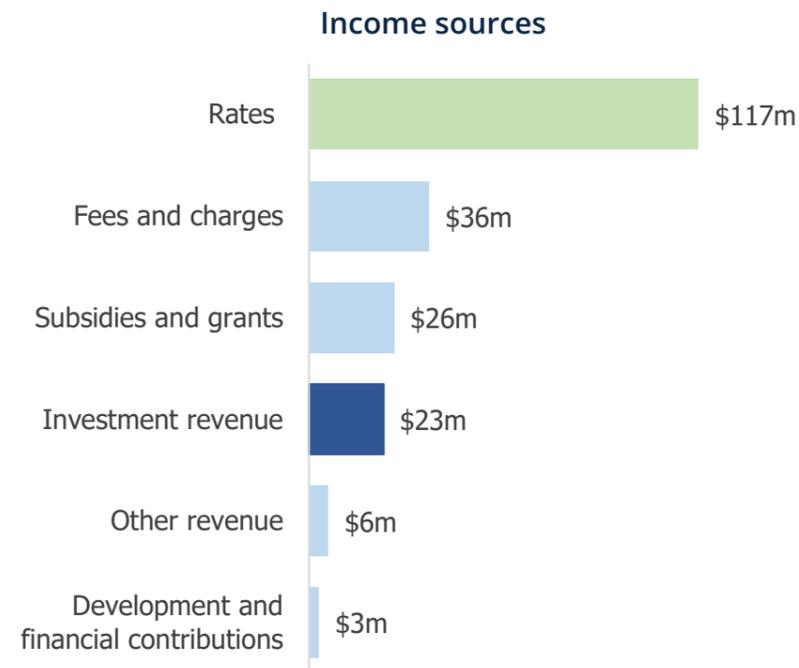
The latest forecast figures for 2021/22 have not been audited and are based on year one of the LTP 2021-2031 then adjusted using the best information available to 30 June 2022. The final results for 2021/22 will be audited and available on our website when the Annual Report 2021/22 has been adopted by the Council in October 2022.

The financial information presented does not include Council Controlled Organisations.



Where the money comes from

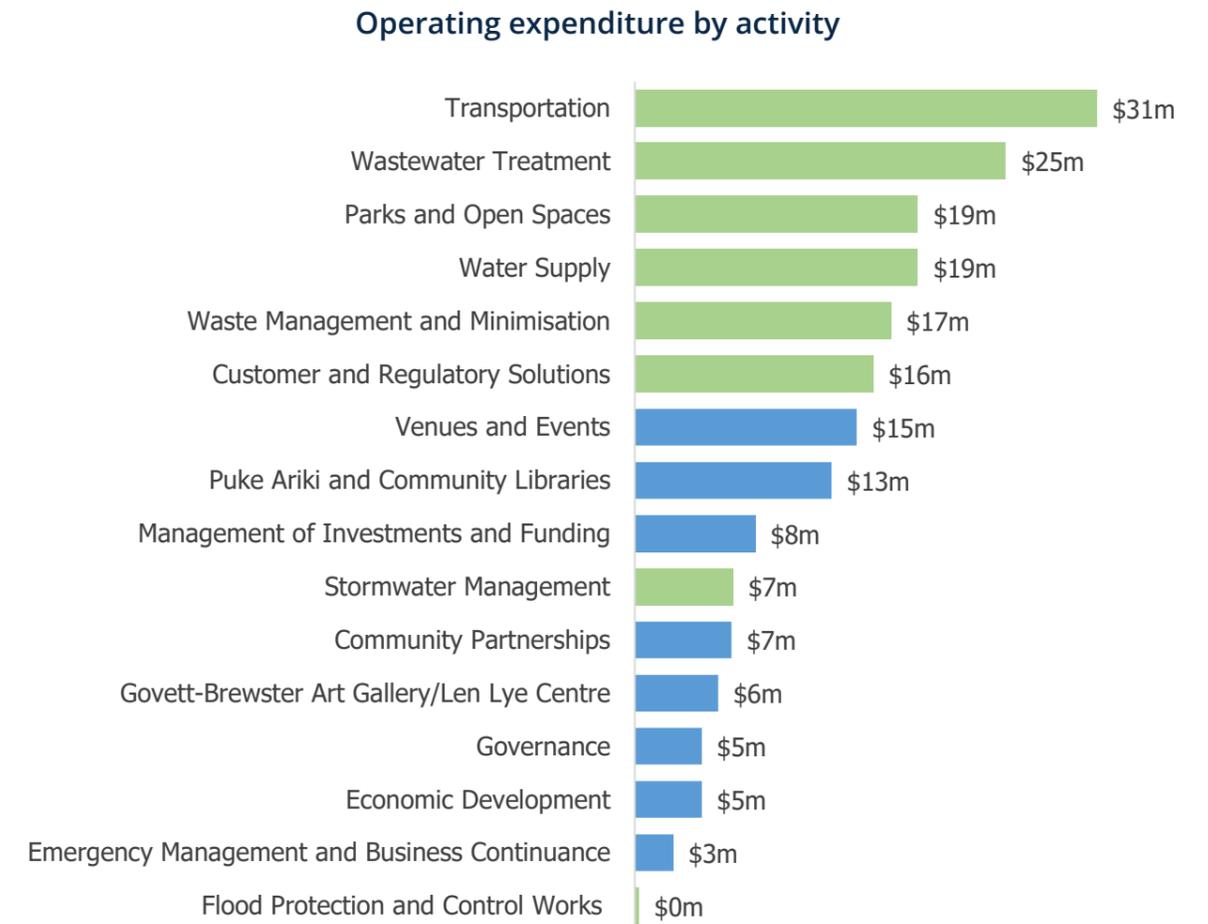
Council income comes from various sources, including the Perpetual Investment Fund, fees and charges and subsidies and grants. However, rates is the largest source.



In the Annual Plan 2022/23 **rates** accounted for 56% of NPDC's income. **Investment revenue** includes the Perpetual Investment Fund, which offsets our rates by around \$9m each year.

Where the money goes

Our expenditure is spread over 16 activities. The image below shows the 2022/23 budget allocations for each activity as per Council's [Annual Plan 2022/23](#).



Almost 70% of our rates are spent on **core services** with the **remainder** helping contribute toward our vision of a **Sustainable Lifestyle Capital**.

Our Financial Strategy is reviewed every three years during the process of developing the LTP. It outlines our overall approach for funding our activities and services and demonstrates how the decisions we make affect rates, borrowing and investments.

Under the Local Government Act, NPDC must manage its revenues, expenses and assets, liabilities, general financial dealings and investments prudently.

Amongst other measures, our Financial Strategy sets out guiding principles to ensure this obligation is met and that we are responding sustainably to growth while keeping costs down for our ratepayers. These are outlined below.

Rates limits

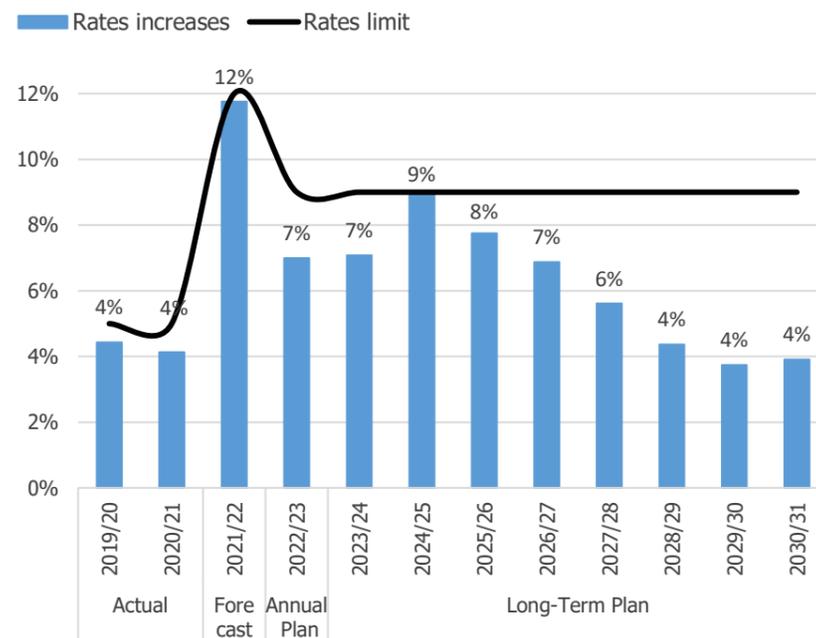
Rates are our main income source. Our Strategy is to maintain rates increases to continue to deliver services.

For the 10 years of the LTP 2021-2031 rates increases are planned to be no more than 9% per annum. This is an increase from the 5% limit set in the previous LTP 2018-2028 and is a reflection of several factors such as:

- costs of prior years' delays on the replacement and maintenance of assets,
- additional demands imposed by central government for increased levels of service; and
- additional costs associated with responding to climate change and preparing for community growth.

The following graph shows the percentage of rates increase against the limit set in our Financial Strategy.

Limits on rates increases



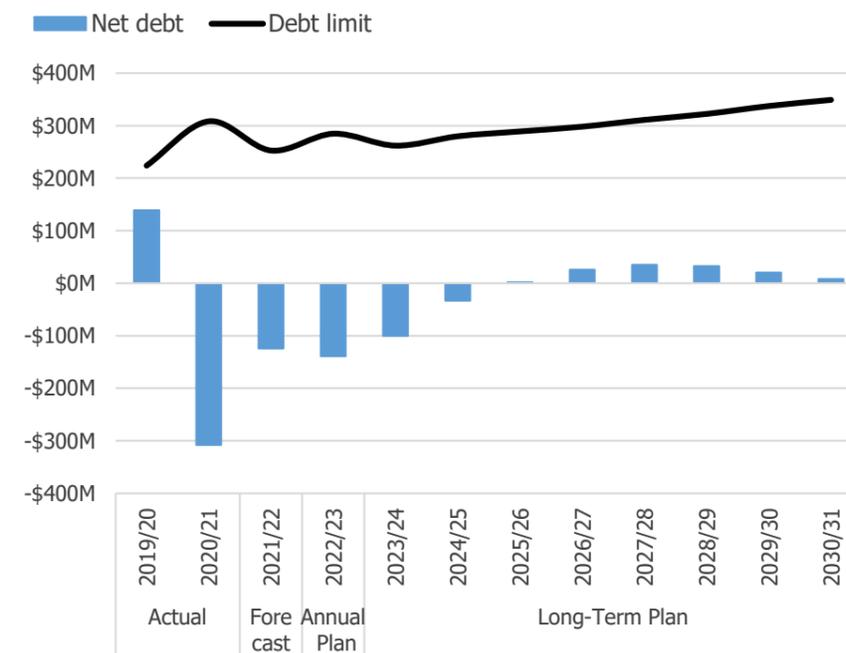
Borrowing limits

NPDC is in a strong position to accommodate the significant expenditure required for new infrastructure assets to service our growing population and to provide funding for unforeseen events.

Evidence of NPDC's financial health is our AA+ credit rating from S&P Global, an independent, internationally recognised credit rating agency. AA+ is highest credit rating available for local government in New Zealand and reflects our prudent financial management and enables us to borrow at more favourable interest rates.

The below graph demonstrates that NPDC has successfully managed debt and continues to project debt levels within sustainable limits.

Limits on borrowing (in millions)



Return on investments

NPDC holds investments in short-term deposits which relate mainly to restricted reserves and asset renewals. The principal reason for these investments is to achieve efficiency and community outcomes as well as a financial return to offset part of our rates.

NPDC's main investment is the Perpetual Investment Fund which offsets our rates by around \$9m each year. In 2020/21 the fund returned 23.7%, comfortably exceeding the 7.2% target (2019/20: 2.8% return against a target of 5.2%). NPDC's objective for the LTP 2021-2031 is to maximise the return from the Perpetual Investment Fund portfolio targeting a expected rate of return of 3.3% + consumer price index + management fees.

Statement of Financial Position

The Statement of Financial Position, also known as the Balance Sheet, is comprised of three main components: assets (what Council owns), liabilities (what Council owes) and equity (Council's net worth).

	Actual		Forecast*	A/Plan*	Long-Term Plan		
	2019/20 \$m	2020/21 \$m	2021/22 \$m	2022/23 \$m	2023/24 \$m	2024/25 \$m	2025/26 \$m
Current assets							
Cash and cash equivalents	34.71	44.06	10.32	24.29	2.13	0.28	0.90
Other assets	280.61	326.75	319.88	378.52	353.32	367.57	381.03
Total current assets	315.32	370.81	330.20	402.81	355.45	367.85	381.93
Non-current assets	-	-	-	-	-	-	-
Property, plant and equipment	2,875.21	2,873.47	3,072.06	3,132.30	3,220.41	3,540.91	3,594.61
Other assets	131.26	165.36	127.61	156.21	125.43	122.66	124.98
Total non-current assets	3,006.47	3,038.83	3,199.67	3,288.51	3,345.84	3,663.57	3,719.59
TOTAL ASSETS	3,321.79	3,409.64	3,529.87	3,691.32	3,701.29	4,031.42	4,101.52
Current liabilities	-	-	-	-	-	-	-
Borrowings	44.00	40.00	44.00	64.00	50.00	50.00	54.00
Other liabilities	45.12	54.23	29.44	52.49	37.08	38.71	39.54
Total current liabilities	89.12	94.23	73.44	116.49	87.08	88.71	93.54
Non-current liabilities	-	-	-	-	-	-	-
Borrowings	129.50	163.50	161.98	199.58	255.70	299.49	334.38
Other liabilities	25.23	15.50	25.14	24.99	24.84	24.69	24.54
Total non-current liabilities	154.73	179.00	187.12	224.57	280.54	324.18	358.92
TOTAL LIABILITIES	243.85	273.23	260.56	341.06	367.62	412.89	452.46
Net assets	3,077.94	3,136.41	3,269.31	3,350.26	3,333.67	3,618.53	3,649.06
TOTAL EQUITY	3,077.94	3,136.41	3,269.31	3,350.26	3,333.67	3,618.53	3,649.06

* Unaudited

More information

For full copies of our plans and reports please visit our website npdc.govt.nz or phone us on 06 759 6060.



Funding Impact Statement

The Funding Impact Statement sets out the sources of operational and capital funding NPDC uses to fund its activities and how these funds are applied. These funding sources were developed from an analysis of NPDC activities and its funding requirements which is set out our Revenue and Financing Policy in the [LTP 2021-2031](#).

	Actual		Forecast*	A/Plan*	Long-Term Plan		
	2019/20 \$m	2020/21 \$m	2021/22 \$m	2022/23 \$m	2023/24 \$m	2024/25 \$m	2025/26 \$m
Sources of operating funding							
General rates, uniform annual charges, rates penalties	59.59	61.86	70.92	76.25	79.16	88.85	91.26
Targeted rates	34.71	36.50	39.33	41.19	46.68	48.38	56.57
Subsidies and grants for operating purposes	6.50	7.72	8.95	8.04	7.12	8.31	8.35
Fees and charges	29.91	28.04	25.97	31.68	33.74	38.80	37.19
Interest and dividends from investments	14.05	10.92	12.68	13.37	13.49	14.05	14.59
Local authorities fuel tax, fines, infringement fees and other receipts	1.41	1.34	1.38	1.35	1.37	1.37	1.37
Total operating funding (A)	146.17	146.38	159.23	171.88	181.56	199.76	209.33
Applications of operating funding							
Payments to staff and suppliers	(115.12)	(136.37)	(131.32)	(147.43)	(145.69)	(153.62)	(154.06)
Finance costs	(5.73)	(5.98)	(6.39)	(6.87)	(9.28)	(10.76)	(12.03)
Internal charges	-	-	2.67	4.85	2.80	2.86	2.92
Other operating funding applications	-	-	-	-	-	-	-
Total applications of operating funding (B)	(120.85)	(142.35)	(135.04)	(149.45)	(152.17)	(161.52)	(163.17)
Surplus (deficit) of operating funding (A - B)	25.32	4.03	24.19	22.43	29.39	38.24	46.16
Sources of capital funding							
Subsidies and grants for capital expenditure	6.26	10.26	12.76	17.70	25.37	19.86	14.02
Development and financial contributions	2.15	2.26	3.96	3.08	3.19	3.31	3.44
Increase (decrease) in debt	30.50	28.45	14.60	47.20	48.56	43.81	38.89
Gross proceeds from sale of assets	20.51	26.89	5.68	7.56	8.23	8.28	7.60
Lump sum contributions	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-
Total sources of capital funding (C)	59.42	67.86	37.00	75.54	85.35	75.26	63.95
Applications of capital funding							
Capital expenditure:							
- to meet additional demand	(3.42)	(7.92)	(4.21)	(9.63)	(11.10)	(7.73)	(6.58)
- to improve the level of service	(20.54)	(25.36)	(26.32)	(40.11)	(57.93)	(50.84)	(49.75)
- to replace existing assets	(27.09)	(25.03)	(31.03)	(44.66)	(51.87)	(54.78)	(51.37)
Increase (decrease) in reserves	(30.01)	(95.72)	6.93	(3.37)	3.01	(3.20)	(5.01)
Increase (decrease) of investments	(3.68)	82.14	(6.56)	(0.20)	3.15	3.05	2.60
Total applications of capital funding (D)	(84.74)	(71.89)	(61.19)	(97.97)	(114.74)	(113.50)	(110.11)
Surplus (deficit) of capital funding (C - D)	(25.32)	(4.03)	(24.19)	(22.43)	(29.39)	(38.24)	(46.16)
Funding balance ((A - B) + (C - D))	-						

* Unaudited



What you need to know

The local body elections are your chance to have your say on who makes the big decisions on the issues which touch our every day lives.

Election day is 8 October 2022. Voters can post back their votes or drop them into a ballot box. The single transferable voting system (STV) is used in the New Plymouth District. Voters must rank candidates, using numbers in order of preference. For information on how STV works, head to stv.govt.nz.

Voters enrolled by 12 August, will receive their voting documents in the mail between 16 September and 21 September. Enrol online at vote.nz.

For all election information, go to npdc.govt.nz/vote22

Changes since the last election

We've changed the make-up of the Council since the 2019 election after the introduction of a Māori Ward and a Representation Review which sought your views on the structure of the Council and Community Boards.

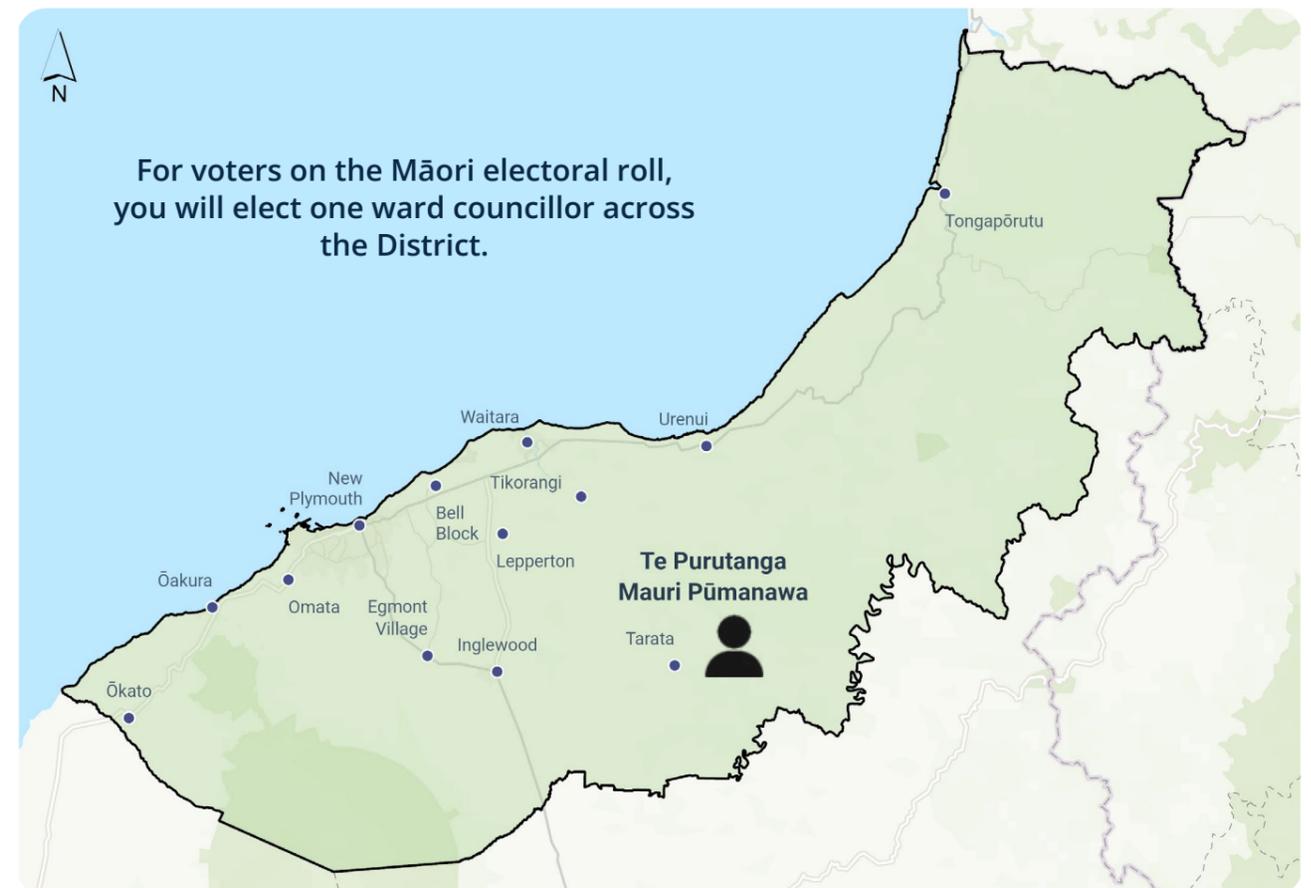
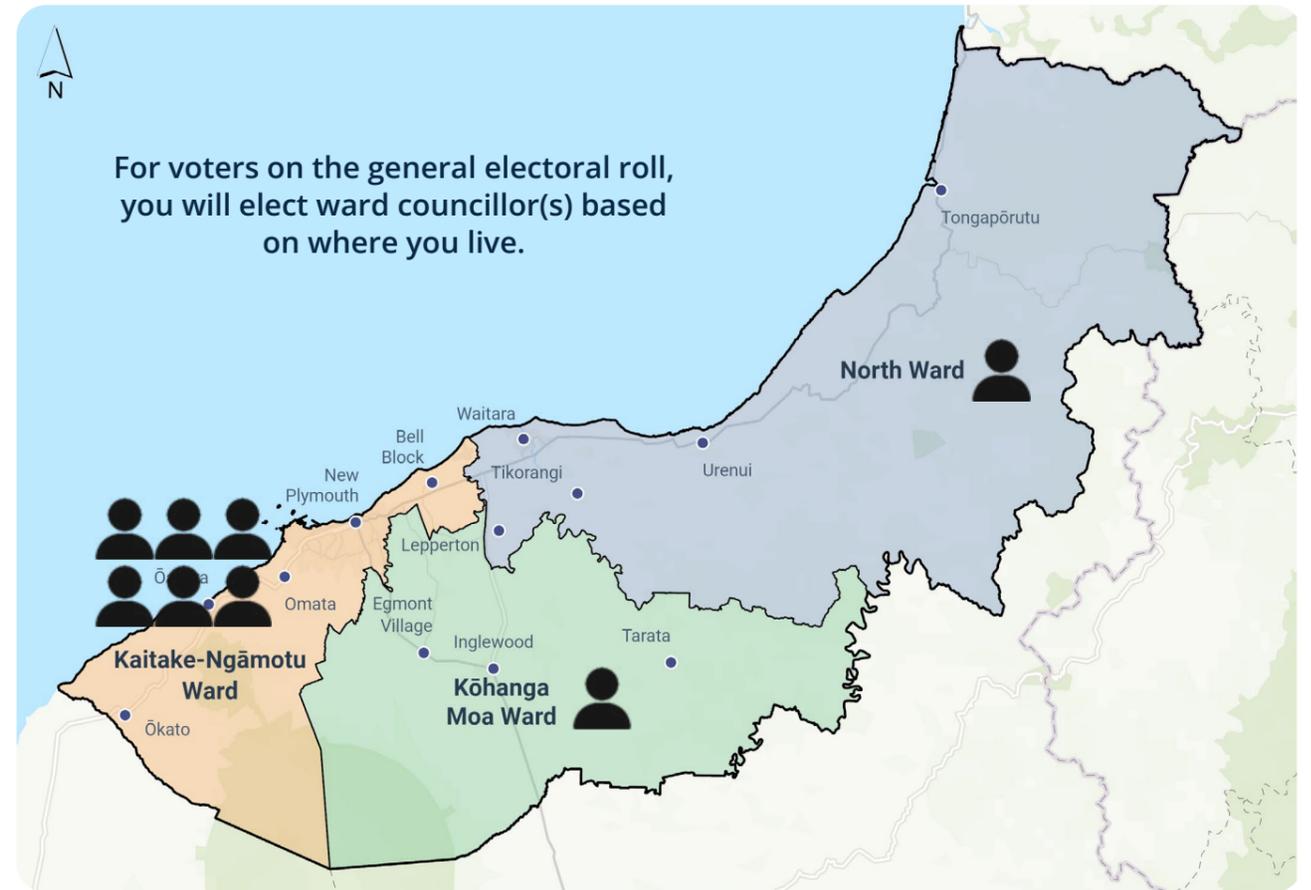
The district is now divided into four wards: Kaitake-Ngāmotu (six councillors), Kōhanga Moa (one councillor), North (one councillor), a Māori Ward (one councillor elected by those on the Māori electoral roll) and five at-large Councillors elected by the whole district.

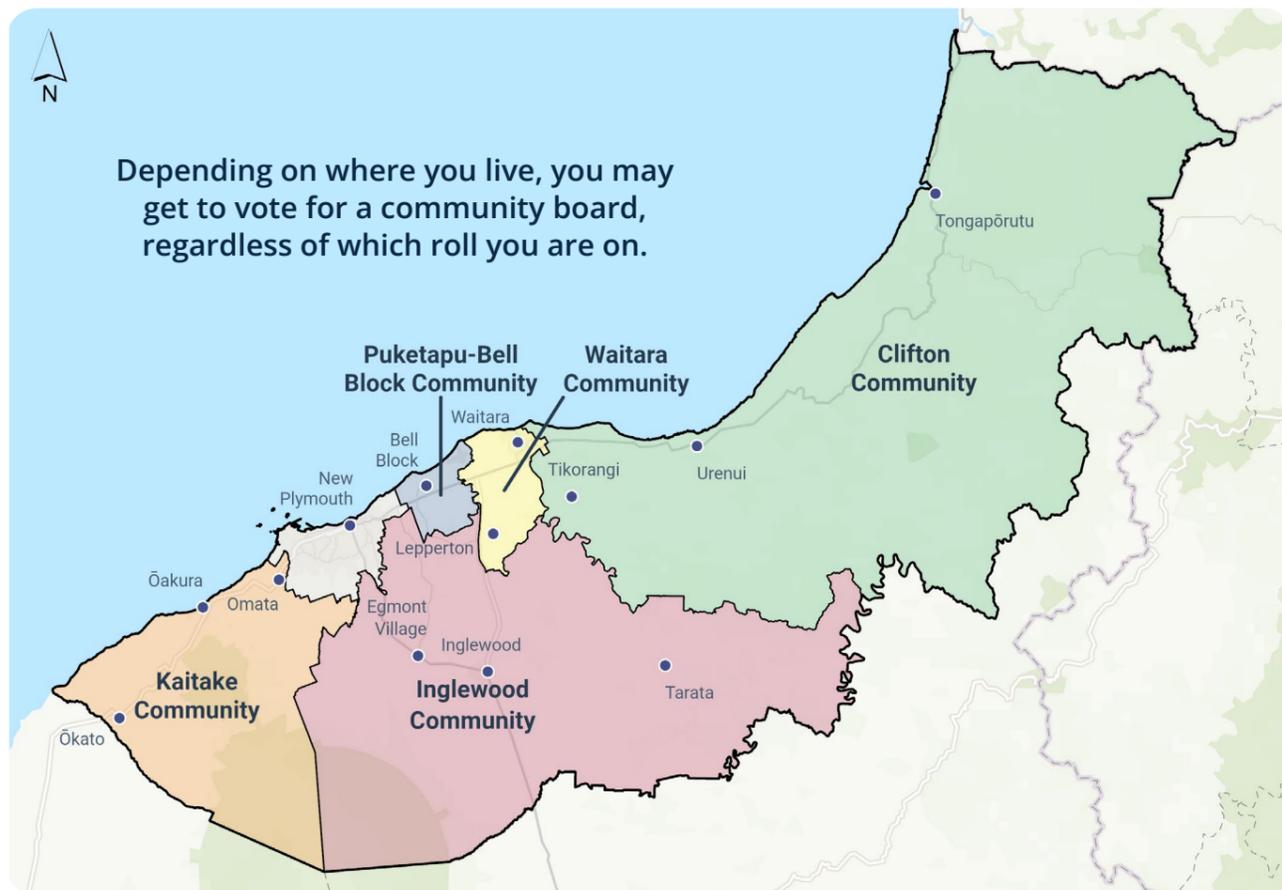
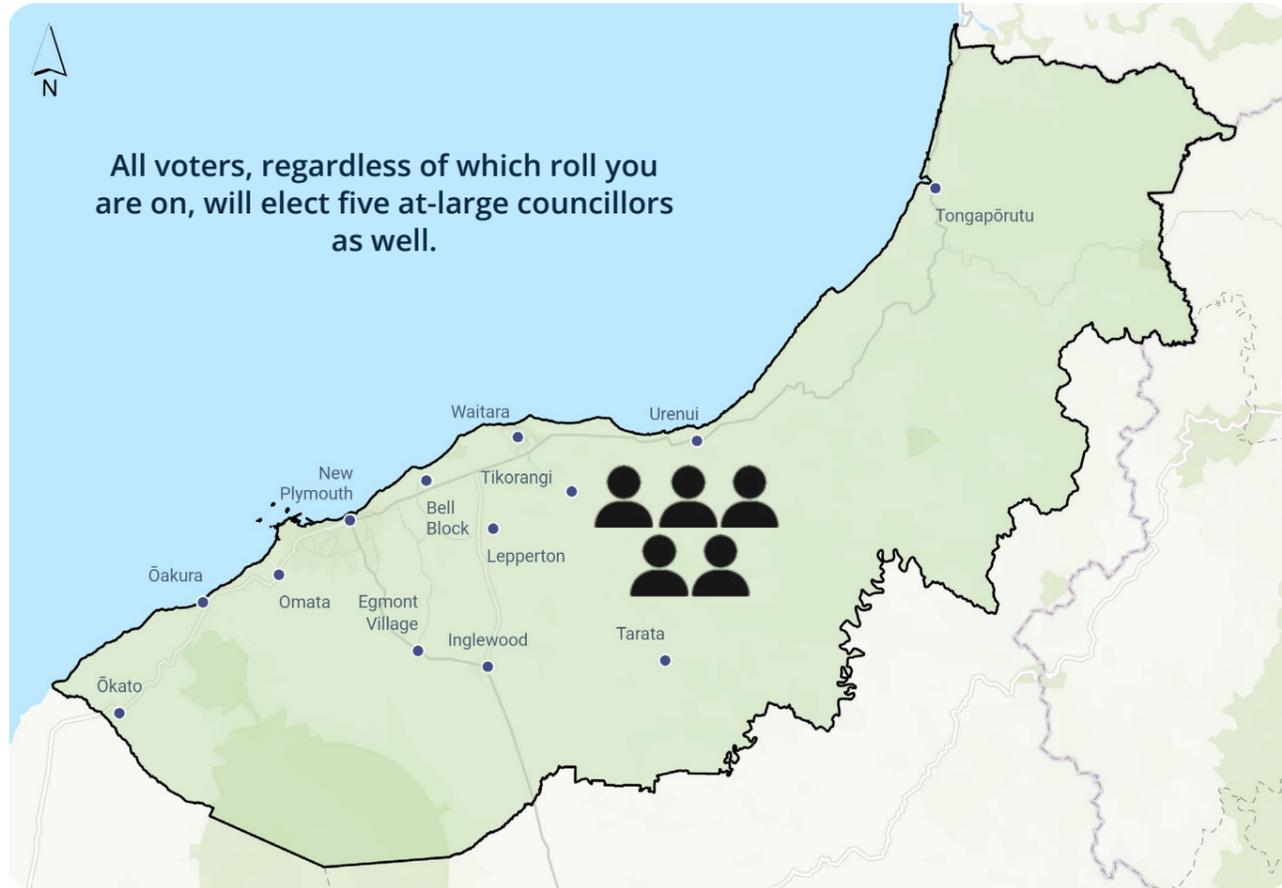
The Puketapu-Bell Block Community Board has also been established for the Bell Block residential area. This brings the number of boards to five with the retention of the Kaitake, Inglewood, Clifton and Waitara Community Boards.

Key dates

15 July	Candidate nominations open
16 July	Candidate Information presentation 3-4.30pm, Civic Centre, Liardet Street, New Plymouth
12 August at noon	Candidate nominations close
16 September	Delivery of voting documents
8 October at noon	Election day and progressive results
9 October	Preliminary results
13 October	Declaration of results

STAND! E TŪ AKE!







Contact NPDC

P: 06-759 6060 E: enquiries@npdc.govt.nz

More information: npdc.govt.nz

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