

**SOUTH TARANAKI** THE MOST  
**LIVEABLE**  
DISTRICT

**2022/23**

**Pūrongorongo ā tau**  
**Annual Report Summary**

# Introduction

## Mihi

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

Mai I Ōkurukuru ki Rāwa o Turi,  
Rāwa o Turi ki Waingōngoro  
Waingōngoro ki Whenuakura,  
Whenuakura ki Waitōtara.

Ko wai tērā, ko Taranaki ki te Tonga.

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

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

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

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

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

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

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

*Who are we, South Taranaki.*

*To those spirits, who have passed beyond, you who cloak our mountain,  
Pukehaupapa, Pukeonake, rest in peace. Go beyond the veil with the  
protection of peace. To the ancestral home of us, the people.  
Return to Hawaiki nui, Hawaiki roa and Hawaiki pāmamao.*

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

*So, the focus for this is the Long Term Plan, to  
Look forward for us the people of South Taranaki.  
To achieve the hopes and dreams to enhance our region.  
In conclusion, to you and us all, Peace flow across us!*



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### Introduction

Welcome to the South Taranaki District Council's 2022/23 Annual Report Summary. The purpose of this Summary is to provide an overview of the Council's activities over the last financial year (1 July 2022 to 30 June 2023) and identify any major differences to what the Council set out to do in its 2022/23 Annual Plan.

The Annual Report Summary shows how well the District's assets are being looked after and how well the Council is performing as an organisation. The information in this Summary has been taken from the audited Annual Report which was adopted by the Council on 30 October 2023. The Annual Report Summary does not provide as complete an understanding as the full Annual Report. For more detailed information covering all of the Council's activities please refer to the full Annual Report. Copies of the full Annual Report are available on request (phone 0800 111 323) for a copy to be sent out to you or you can view it on the Council website [www.southtaranaki.com](http://www.southtaranaki.com).

### Where does the Annual Report fit in?

Every council in New Zealand is required to prepare a Long Term Plan (with a ten year timeframe), as well as an Annual Plan and an Annual Report. These three documents form the essential guide to what Council does in any given year. The Long Term Plan and the Annual Plan set out what the Council plans to do, while the Annual Report states what the Council has actually done. The 2022/23 Annual Report reflects progress made in Year 2 of our 2021-2031 Long Term Plan.

Te reo maioha ā te koromatua me te tumu whakahaere

# Message from the Mayor and Chief Executive

The 2022/23 financial year was a challenging one, characterised by global instability and a sluggish domestic economy. The war in the Ukraine, with its associated effects on global oil and food production, had a negative impact on financial markets. In addition, a tight domestic labour market and ongoing COVID-19 supply issues saw significant inflationary pressures impact the council with higher-than-expected interest rates and contractor costs, particularly in the roading and construction sectors.

As a result, the Council finished the year with a modest \$768,000 deficit after unbudgeted adjustments. The main reasons for the deficit were a \$4.3 million increase in (non-funded) depreciation arising from an increase in the value of Council's assets, increases in contractor costs (\$2.4 million over budget), interest rates (\$1.34 million over budget) and \$2.7 million of unbudgeted repairs to our roading infrastructure caused by five severe weather events.

The 12 months to the end of June 2023 saw progress made on a number of projects we undertook in order to achieve our vision of making South Taranaki the most liveable District.

## Key features/highlights of 2022/23:

Construction started on Te Ramanui o Ruapūtahanga, the District's new Library, Culture and Arts Centre, and is expected to be complete by August 2025.

Stage 1 development at the South Taranaki Business Park (Installation of a new water main) was completed and work started on stage 2. Stage 2 involves roading and three waters infrastructure upgrades to Fitzgerald Lane, Little Waihi Road, Kerry Lane and a portion of SH 3.

Co-design teams were established, and draft plans developed for the Waverley, Ōpunakē, and Eltham

town centre upgrades. Physical work has started on some aspects of the upgrades in Eltham at Bridger Park and Waverley with the Kiwi sculpture installation.

Council partnered with Bizlink Hāwera to establish a co-working, business innovation and enterprise hub (Te W'anake – The Foundry), in Hāwera in February 2023.

90% of the 10.4km Nukumarū Station Road extension project and approximately 80% of the new \$4.2 million Waimate West reservoir were complete with the remainder of both projects being finished in November 2023.

Residents on lower Turuturu Road, Hāwera have an improved water supply, with the installation of a new \$1.15 million watermain.

The Normanby to Hāwera pathway (along Ketemarae and Glover Roads) was completed.

In June 2022 Council signed a partnership agreement with Te Korowai o Ngāruahine Trust to investigate the feasibility and ongoing viability of establishing a combined multi-purpose, multi-use Iwi and community facility in Manaia.

Following completion of a feasibility study three companies have been shortlisted to build and operate a regional organic materials recovery facility in South Taranaki.

Stage 2 of Aotea Utanganui – Museum of South Taranaki was completed. Stage 2 consists of a new architecturally designed building to display large collection items, with additional storage space and a workshop.

Council's Interim Speed Management Plan which reduced speed limits around schools to 30km/h permanent speed limits outside all urban schools, and 60km/h permanent speed limits with a 30km/h speed

Te reo maioha ā te koromatua me te tumu whakahaere

# Message from the Mayor and Chief Executive

limit during school hours outside rural schools was completed and approved by Waka Kotahi.

The year also saw a new Council elected with the triennial local authority elections held in October 2022. This term's Council included an additional seat introduced following the incorporation of two Māori wards, Te Kūrae and Te Tai Tonga, each with one councillor, and four general wards – Taranaki Coastal (two councillors), Eltham-Kaponga (two councillors) Te Hāwera (five councillors) and Pātea (two councillors). The four community board wards remained unchanged.

The Government changed direction again on its three waters reforms during the year, with the major change being a move from four water services entities across the country to ten. This means there will be one entity for Taranaki, which is expected to take effect from 1 April 2025.

According to our annual independent survey, satisfaction with Council services remains high with 89% of residents happy with the overall service the Council provides and 92% believing the Council is moving in the right direction. The services that had the lowest satisfaction rates were the condition of roads (58% satisfaction) and animal management (73% satisfaction).

It has been a challenging year both financially (economic climate) and politically (local government reforms) and some difficult decisions will need to be made in the coming months. However, being financially sound and with good levels of community satisfaction, the Council is well placed to meet those challenges head on.

It is our privilege to present the Council's 2022/23 Annual Report.



**Fiona Aitken**  
Tumu Whakahaere  
South Taranaki District  
Council Chief Executive



**Phil Nixon**  
Koromatua o Taranaki ki te  
Tonga  
South Taranaki Mayor

# Ngā Kaikōwhiri

## Elected Members

The South Taranaki District Council is made up of the District Mayor and 13 Councillors. The Mayor is elected at large over the District with the Councillors elected from 4 General and 2 Māori Wards. There are four Community Boards; Te Hāwera, Taranaki Coastal, Eltham-Kaponga and Pātea and 16 Community Board members. These positions are all subject to election every three years.

### Ō koutou Kaikaunihera Your Councillors (2022 - 2025 term)



Mayor Phil Nixon



Andy Beccard



Mark Bellringer



Racqual Cleaver-Pittams



Celine Filbee



Aarun Langton



Steffy Mackay



Diana Reid



Te Aroha Hohaia



Deputy Mayor  
Robert Northcott



Bryan Roach



Brian Rook



Leanne Kuraroa Horo



Tuteri Dal Rangihaeata

### Ō koutou Poari Hapori Your Community Boards (2022 - 2025 term)



#### Eltham-Kaponga

Alan Hawkes, Sonya Douds, Karen Cave and Lindsay Maindonald

#### Pātea

Cheryl Rook, Jacq Dwyer, Owen Savage and Bronwyn Wattrus

#### Taranaki Coastal

Sharlee Mareikura, Liz Sinclair, Andy Whitehead and Monica Willson

#### Te Hāwera

Heather Brokenshire, Nikki Watson, Andrew Blanche and Raymond Buckland

The Council's purpose is to enable democratic local decision-making and action by and on behalf of our communities; and to promote the social, economic, environmental, and cultural well-being of our communities both now and for the future.

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

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

## Council focused on performance

The performance measures within the Annual Report were adopted by the Council as part of the 2021 -31 Long Term Plan. We get performance information from a wide variety of sources: Council systems such as the customer requests management system, the finance system, databases for quality tests; satisfaction surveys; and reports from external organisations.

The Council also commissions an independent resident satisfaction survey every year to find out what South Taranaki residents think of our District and the Council's services and facilities. The Survey was conducted by Key Research using a sample of 423 residents 18 years + and representative of the population in terms of age, ward and gender. A number of the performance measure results summarised in this Summary are based on the results of this satisfaction survey. For a detailed list of all the Council's performance measures please refer to the full Annual Report.

## The Year in Review

The Council's vision is to make *South Taranaki the most liveable District*. In Year 2 of our 2021 – 2031 Long Term Plan, Council identified a number of key projects and priorities we wanted to undertake to achieve our vision. In this section we report on the progress of those key priorities.

He arotakenga o te tau

# The Year in Review



## Prosperous South Taranaki

Economic Well-being

A prosperous District with a sustainable economy, innovative businesses and high quality infrastructure.



Prosperous Project/Priority	Progress
<p><b>Develop the South Taranaki Business Park</b></p>	<p>The Council has spent \$3.89 million on the South Taranaki Business Park this financial year bringing the total cost of the project to date to \$4.22 million. Infrastructure is being delivered in three stages:</p> <ul style="list-style-type: none"> <li>• Stage one – lay a watermain in the Business Park is complete.</li> <li>• Stage two – roading infrastructure upgrades to Fitzgerald Lane, Little Waihi Road, Kerry Lane and a portion of SH3 is underway. These infrastructure upgrades are expected to be complete by 2026.</li> <li>• Stage three – expand the Business Park’s footprint through additional roading and three waters infrastructure.</li> </ul> <p>The construction programme is on schedule with ongoing work on roading, three waters and other services in the Business Park area.</p>
<p><b>Complete Nukumarū Station Road extension</b></p>	<p>Approximately 90% of this project was completed by the end of June 2023. Poor weather conditions made site works difficult, and it is expected to be completed by November, depending on the legislative process and Kiwirail approval to access the road. Expenditure for the financial year was \$4.13 million, which brought the total spent to \$10.51 million.</p>
<p><b>Subsidise rates on average by \$6.5 million pa using earnings from the Long Term Investment Fund.</b></p>	<p>During the year the Council withdrew \$5.8m from the LTIF to subsidise rates.</p>



He arotakenga o te tau

# The Year in Review



## Prosperous South Taranaki

Economic Well-being

A prosperous District with a sustainable economy, innovative businesses and high quality infrastructure.

Prosperous Project/Priority	Progress
<b>Undertake town centre upgrades in Pātea, Waverley Manaia, Ōpunakē and Eltham</b>	<p>Work has started on the Waverley town centre revitalisation with \$155,000 towards the cost of the “Kiwi” sculpture, and \$80,000 on plans for the main street, wayfinding signage and public amenities.</p> <p>Co-design teams have been established for the revitalisation of the Waverley, Eltham and Ōpunakē town centres.</p> <p>Concept and planning designs for Eltham have been drafted for wayfinding signage and the Stark Park green space at a total cost of \$16,000. \$33,000 has been spent on upgrades in Bridger Park.</p> <p>Work is beginning in Ōpunakē with \$10,000 spent on town centre gardens. Minimal funding has been spent in Pātea and Manaia to date.</p>
<b>Develop a District business innovation and enterprise hub</b>	<p>The Council partnered with Bizlink Hāwera (the Hāwera Business Association) to develop the business innovation and enterprise hub. The Hub, named Te W’anake – The Foundry, opened in February 2023.</p> <p>The project was a collaboration with Bizlink Hawera, who contributed \$88,000 towards establishment costs.</p>
<b>Continue work on the Hāwera town centre upgrades</b>	<p>The Hāwera town centre upgrade was deferred, and the funding was used to assist with increased costs for building Te Ramanui o Ruapūtahanga. The increases were due to COVID-19-related shortages of supplies and steep increases in construction costs.</p> <p>As part of our annual road rehabilitation programme, the 25-year-old asphalt on High Street, Hāwera was replaced between Albion Street and Argyle Street.</p>

# He arotakenga o te tau

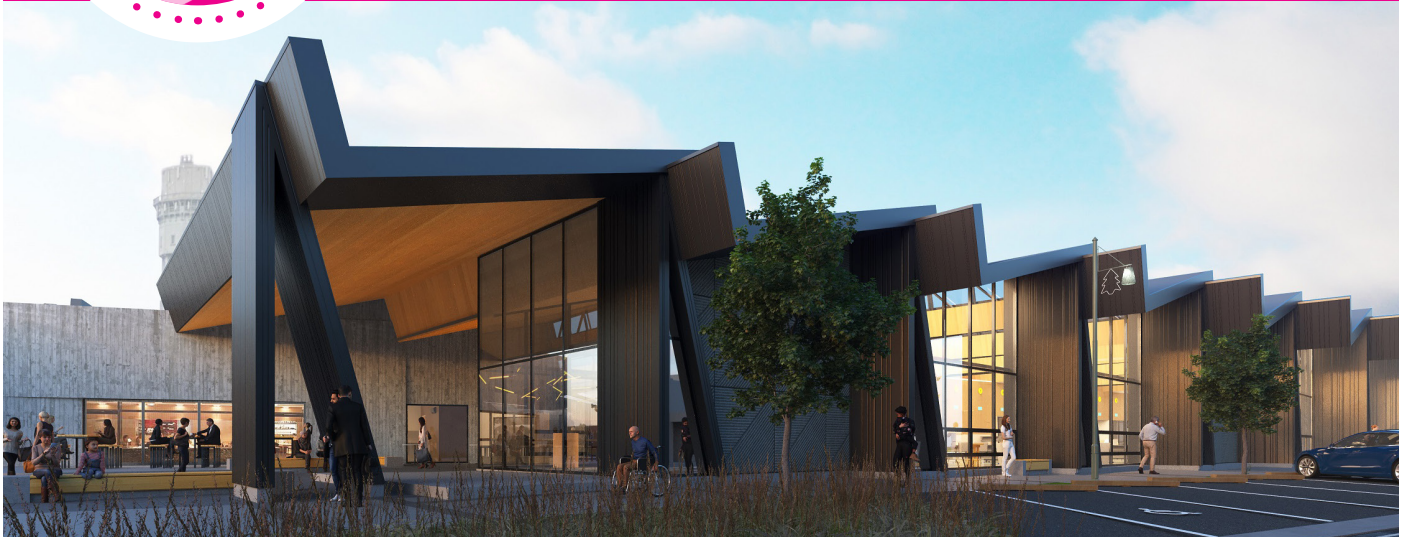
# The Year in Review



## Vibrant South Taranaki

Cultural Well-being

A vibrant and creative District that celebrates diversity and has strong relationships with Iwi/Hapū.



Vibrant Project/Priority	Progress
<p>Replace or strengthen and refurbish the Manaia War Memorial Hall and Manaia Sports Complex</p>	<p>The Council has signed a partnership agreement with Te Korowai o Ngāruahine Trust to undertake public engagement and a feasibility study to investigate the viability of establishing a combined multi-purpose, multi-use Iwi and community facility in Manaia. The Toi Foundation funded the feasibility study.</p>
<p>Complete Te Ramanui o Ruapūtahanga, South Taranaki’s new Library, Culture and Arts Centre.</p>	<p>Construction work began and is making good progress with a total of \$4.2 million spent in this financial year. The facility is due to open in August 2024.</p>
<p>Continue work on earthquake strengthening and upgrades to Eltham Town Hall.</p>	<p>No work on earthquake strengthening and upgrades occurred at the Eltham Town Hall this financial year. Design work was undertaken, with cost estimates exceeding the amount budgeted. It has been recommended to undertake community engagement for the earthquake strengthening and upgrade work as part of the 2024-2034 Long Term Plan. The 2022-23 budget will be carried over to ensure already approved funding is retained. Planned work to upgrade the fire sprinkler system was also deferred in 2022/23 as the original estimated scope of works and associated costs increased. This work is scheduled for 2023/24.</p>
<p>Develop an Iwi-Council Partnership Strategy.</p>	<p>AATEA Consultants were engaged to facilitate the development of the Iwi-Council Partnership Strategy. A draft Strategy has been presented to South Taranaki’s four Iwi (Rūnanga) and the Council for feedback. The Strategy will be consulted on alongside the 2024-2034 Long Term Plan.</p>
<p>Continue to hold community events across the District such as Arts in the Park, Sounds on the Sand, Movies in the Park, Elektra.</p>	<p>A full year of events were delivered at different venues across the District, including events such as Arts in the Park, Sounds on the Sand, Drive-in Movies, School holiday programmes and Christmas Cabaret. Whilst some outdoor events were impacted by weather, only one event (Elektra 2022) was cancelled due to adverse conditions.</p>

He arotakenga o te tau

# The Year in Review



## Sustainable South Taranaki

Environmental Well-being

A sustainable District that manages its resources in a way that preserves the environment for future generations.



Sustainable Project/Priority	Progress
<p><b>Implement our Environment and Sustainability Strategy:</b></p> <ul style="list-style-type: none"> <li>• Develop an energy and carbon reduction plan and climate change risk assessment</li> <li>• Develop a District-wide climate change adaptation plan and support climate change research relevant to the District</li> <li>• Review and renew our 2018 Waste Management and Minimisation Plan</li> <li>• Progress development of a regional organic waste facility or facilities</li> <li>• Undertake biodiversity restoration and protection work in Council parks and reserves</li> </ul>	<p>The Council has yet to start work on the energy and carbon reduction plan, however work on climate change risk assessments have begun.</p> <p>The Waste Management and Minimisation Plan was reviewed in preparation for public consultation.</p> <p>Biodiversity restoration and protection work in Council parks and reserves has begun.</p> <p>After completing a feasibility study for the construction, operation and management of an organic materials recovery facility the project moved to the next stage, including three industry partners along with the New Plymouth and Stratford District Councils.</p>
<p><b>Maintain Pātea Moles</b></p>	<p>Stage 1 of the remedial work to the western mole was completed. Stage 2 (eastern mole) has been deferred pending further advice from the Council’s Assets Team.</p>

He arotakenga o te tau

# The Year in Review



## Together South Taranaki

Social Well-being

A District with healthy, safe, resilient, informed and connected people.



Together Project/Priority	Progress
<p><b>Continue water treatment enhancement and water pressure improvements in Pātea. Total budget included carry-overs of \$1,783,489 &amp; 2022/23 budget of \$665,481.</b></p>	<p>Water treatment enhancement and water pressure improvement projects underway with \$228,435 spent in the financial year.</p>
<p><b>Spend an average of \$31.6 million pa on the road network, including \$2.7 million on pavement rehabilitation of our roads</b></p>	<p>We spent \$35.51 million on the road network (this included operational, capital works, and depreciation expense), and \$2.9 million on pavement rehabilitation.</p>
<p><b>Undertake a digital transformation programme – (\$3 million over five years).</b></p>	<p>A Digital Transformation Strategy had been developed and a contract has been signed for the replacement and implementation of our ERP (core business) system. The project is due to start in early 2023/24.</p>
<p><b>Build a new reservoir for Waimate West.</b></p>	<p>The reservoir was approximately 80% complete at the end of June and is expected to be completed by November 2023. Expenditure for the financial year was \$2.016 million, bringing the total spent so far to \$3.95 million of an approved budget of \$4.21 million.</p>
<p><b>Wastewater reticulation renewals \$1.3 million.</b></p>	<p>\$1.16 million was spent on district wastewater reticulation renewals.</p>

# Ngā Manawareka me ngā Paearu Mahi

## Other Highlights and Performance Measures

### Te Pou Manukura | Democracy and Leadership

Performance Measure	Target	Achieved	Not Achieved
% of residents who agree decisions made by Council represent the best interests of the District.	≥70%	81%*	
% of residents who are satisfied/neutral with their opportunity to participate in Council decision-making processes.	≥80%	80%*	

### Ngā Puna Wai | Water Supply Services

Performance Measure	Target	Achieved	Not Achieved
Total number of complaints received (per 1,000 connections) for DIA performance measures 4a – 4e (clarity/taste, odour, pressure/flow, supply and response)	≤22	12.99 complaints per 1,000 connections were received	
Compliance with current Drinking Water Standards (for bacteria) (Performance Measure 10) Quarters 1 and 2	10/10		Quarters 1 and 2 were measured against Parts 4 and 5 of the Drinking Water Standards 2005. During the first two quarters, eight water supplies fully complied with the exception of distribution zones for Hāwera and Waimate West. For the Hāwera supply the interval between monitoring samples was too long and for the Waimate West supply E.coli was detected. An investigation was conducted, and remedial actions met requirements.
Compliance with current Drinking Water Standards (for bacteria) (Performance Measure 10) Quarters 3 and 4	10/10		Quarters 3 and 4 were under the new Taumata Arowai Quality Assurance Rules which came into effect from 14 Nov 2022, with an agreed implementation from 1 Jan 2023. For the Eltham, Hāwera, Inaha, Pātea and Waimate West supplies bacterial criteria was not met at either the water treatment plant or distribution zone. This was due to variable circumstances ranging from incorrect monitoring frequencies to an inability to demonstrate treatment performance
% of consumers satisfied with the water supply overall.	≥80%	88%*	

# Ngā Manawareka me ngā Paearu Mahi

## Other Highlights and Performance Measures

### Leak Detection and Inflow and Infiltration

Council's contractor undertook leak detection over the whole of Ōpunakē water supply network, using acoustic and thermal imagery technology, in order to target repairs to water mains and fittings. The Ōpunakē, Manaia and Eltham wastewater networks were surveyed with CCTV to identify areas of inflow and infiltration into sewer mains, where repairs or replacement are required.

### Te wai āwhiowhio me ōna rītenga | Stormwater

Performance Measure	Target	Achieved	Not Achieved
Number of reported flooding incidents of habitable properties.	<10	No flooding events of habitable properties were received	
Number of abatement notices received by Council for stormwater discharges	<2	No abatement notices were received	
% of residents satisfied with the stormwater system.	≥80%	85%*	

### Ngā parapara | Wastewater

Performance Measure	Target	Achieved	Not Achieved
Number of customer complaints per year relating to odours from wastewater pump stations or treatment facilities (per 1,000 connections).	≤1	0.25 complaints per 1,000 connections were received	
Number of customer complaints per year about sewerage system faults (per 1,000 connections).	≤38	16.73 complaints per 1,000 connections were received	
Number of complaints received about sewerage system faults and our response (per 1,000 connections). DIA Performance Measures 4a-4d	≤51	24.46 complaints per 1,000 connections were received	
Number of dry weather sewerage overflows per 1,000 connections	≤1	(0) No dry weather sewerage overflows were reported	
% of customers satisfied with the wastewater services overall	≥85%	97%*	

# Ngā Manawareka me ngā Paearu Mahi

## Other Highlights and Performance Measures

### Para Totoka | Solid Waste

Performance Measure	Target	Achieved	Not Achieved
% of customers satisfied with the solid waste collection service.	≥90%		89%*
Number of justified complaints received for missed street collection that are not resolved (average per month)	2	An average of 0.42 complaints per month were received	
Number of tonnes of waste collected per household per annum.	<320kg per household		398kg of waste per household was collected for the 2021/22 financial year.

### Ngā Huarahi Ararau | Roading and Footpaths

Performance Measure	Target	Achieved	Not Achieved
% of roads meeting the roughness standard (deviation of true plane) remains stable or improves.	92%		The Annual Roughness Survey reported 89% for overall roughness. When separated, the result for urban streets is 74% and rural roads 95%
% of road users satisfied with the condition of Council roads.	≥74%		58%* of people surveyed were satisfied with the condition of Council roads. The main complaints are roads are full of potholes, not maintained well and repair work was not satisfactory. Some of the dissatisfaction can be attributed to the condition of State Highways, as per resident comments.
% of sealed local road network resurfaced annually	6%		4.1% of the total sealed area was sealed. Some areas that were programmed for sealing were postponed due to budget constraint. The cost adjustment for bitumen was up to 50%.
% of footpath with condition rating 1-4.	98%	99% of footpaths made the 1-4 Condition Rating	
% of urgent customer service requests relating to roads and footpaths responded within 2 working days.	≥95%		94% (50 out of 52)
% of non-urgent customer service requests relating to roads and footpaths responded within 5 working days.	≥90%	93% (1,511 out of 1,619)	

# Ngā Manawareka me ngā Paearu Mahi

## Other Highlights and Performance Measures

### Flood Damage

Following five severe weather events during the 2022/23 financial year, considerable damage occurred on our roading infrastructure especially in the Moeawatea, Tāngāhoe and Waitōtara Valleys and Mangamingi Saddle. The total repair cost was around \$2.7 million.

### Ngā Huahua Kaunihera | Community Facilities

Performance Measure	Target	Achieved	Not Achieved
% of customers satisfied with the level of maintenance in Council parks, reserves and public spaces.	97%		92%*
% of residents satisfied with cleanliness and maintenance of Public Toilets.	≥80%	82%*	
% of customers satisfied with the maintenance and cleanliness of recreation centres.	≥90%	91%*	
(C) % of visitors satisfied with the tidiness and level of maintenance at Cemeteries.	≥95%	97%	
% of users satisfied with the standard of service provided at the TSB Hub	≥90%	User surveys recorded 100% satisfaction	
% of users satisfied with services provided at the Hāwera Aquatic Centre being well maintained.	≥90%	96%*	
% of customers satisfied with pool environments. Average across all Rural Pools.	≥80%	84%*	
% of housing for elderly tenants satisfied with the standard of their accommodation.	≥95%		The Annual Tenants' Survey recorded that 93% of the respondents were satisfied with the standard of their accommodation.

### Housing for the Elderly

Council purchased two residential properties, one in Furlong Street and one in Princes Street (Hāwera) as potential sites for future housing for the elderly. The last tenant moved out of our King Street (Ōpunakē) units. These five units are no longer fit for purpose so were not re-tenanted. The buildings on these three sites will be removed, and the properties will be tidied up while we work towards developing a future housing strategy.

### Public Toilets

The toilet block next to the Sinclair Electrical and Refrigeration Event Centre was demolished and replaced with four new unisex cubicles, including an accessibility toilet. A large-scale mural was designed and painted on the new toilet block by local artist Chris Fuller.



# Ngā Manawareka me ngā Paearu Mahi

## Other Highlights and Performance Measures

### Ngā mahi ā-Toi me Rēhia | Arts and Culture

Performance Measure	Target	Achieved	Not Achieved
% of customers satisfied with LibraryPlus facilities and customer service.	≥96%	96%*	

### Ōpunakē LibraryPlus Privacy Booth

A privacy booth was installed at the Ōpunakē LibraryPlus as part of the banking hub operated by the New Zealand Banking Association. This soundproof booth has automatic lighting, air conditioning and a plug for laptops and devices so customers can meet confidentially with a banking representative.

### Ōhanga-ā-Rohe | District Economy

Performance Measure	Target	Achieved	Not Achieved
Number of promotions about investing and doing business in South Taranaki per annum.	7	There were 8 promotions about investing and doing business in South Taranaki for the year.	
Minimum number of events provided or supported by Council per annum.	≥10	22 Council events were provided or supported.	

### South Taranaki Business Park

A new watermain was installed along Waihi Road, Hāwera from Glover Road to Fitzgerald Lane and Kerry Lane, and an additional main was installed on County Drive to link with the Business Park. Work started on a 360m road extension on Fitzgerald Lane, a 170m portion of new road and underground services and earthworks to enable 13 stage one lots, many of which are already tenanted. This provides infrastructure and improved access for newly established and incoming businesses on land owned by a local developer. An upgraded intersection at Fitzgerald Lane and Little Waihi Road is underway and the Business Park construction programme will continue into summer.

### Whakawhanake Hapori | Community Development

Performance Measure	Target	Achieved	Not Achieved
Number of community and Council projects and activities provided, encouraged and supported.	≥25	34 projects and activities were supported.	

### Empower Youth

A youth committee (Empower Youth) was established, following an initiative from Te PaePae O Aotea students. One of their goals was to increase youth engagement with the Council and community through hosting events, community projects, and supporting the Council's community events.

# Ngā Manawareka me ngā Paearu Mahi

## Other Highlights and Performance Measures

### Taiao me te Toitū | Environment and Sustainability

Performance Measure	Target	Achieved	Not Achieved
No unapproved loss of indigenous vegetation across the District.	0% loss	No incidents of illegal vegetation clearance reported.	

### Ratonga Wakaature | Regulatory Services

Performance Measure	Target	Achieved	Not Achieved
% of (liquor) licensed premises that are inspected.	100%	100%	
% of new and renewed (food) premises applications processed within 10 working days	≥95%	100%	
% of noise complaints are responded to within one hour.	≥90%		86% (532 out of the 618)
% of resource consent applications are processed within statutory timeframes	100%		97.8% (179 out of 183)
% of building consent applications processed within the statutory timeframe of 20 working days.	100%		81.7% (469 out of 574)
% of building inspections carried out within 2 working days of request.	95%	99.5%	
% of reported serious dog or wandering stock incidents responded to within 4 hours.	≥95%		85% (180 of 213)
% of reported general dog incidents responded to within 1 working day.	≥95%		84% (1,125 out of 1,341)
% of residents satisfied with the Animal Control service.	≥75%		73%*

\* Results from Council's annual independent resident satisfaction survey

Note: The Annual Residents' Survey was undertaken in March 2023 and did not cover the entire 2022/23 financial year, however this would not significantly change the outcome of the survey due to fact that this survey covered April 2022 to March 2023, which is a full 12 months.

# Ngā Manawareka me ngā Paearu Mahi

## Other Highlights and Performance Measures

### **Building Control Accreditation**

Following our biannual IANZ audit Council maintained our accreditation as a Building Control Authority with low-risk status. This means we do not require any special audits/assessments within the next two years.

### **Climate Change Risk Assessment**

Having completed stage 1 of the Climate Change Risk Assessment, we moved to stage 2 which focused on a detailed risk assessment involving prioritisation/ranking of climate risks, and adaptation planning to address those risks.

### **One Billion Trees**

We continued with our part of the One Billion Trees Programme during winter. This consisted of infill planting at last year's site, between the Pātea Cemetery and landfill, and planting of Harbour Endowment land at the southern end of York Street, near the Pātea wastewater treatment plant.

## Financial Overview

The following pages provide an overview of the Council's financial performance for the year 1 July 2022 to 30 June 2023.

**Net surplus/(deficit)  
(\$768,000)**

**Total Assets  
\$1,439 million**

**Total Liabilities  
\$140 million**

**Total Equity  
\$1,299 million**

### Statement of Financial Performance

The Council finished the year with a \$768,000 deficit after unbudgeted adjustments (gains on derivative contracts \$2,283,000 and disposal of assets \$316,000) against a budgeted surplus of \$5,936,000. The main contributors to this variance are as follows:

### Revenue

Total revenue was \$6,797,000 over budget. Subsidies and grants were under budget by \$475,000 mainly due to a delay in receiving Te Ramanui o Ruapūtahanga grants from the Ministry of Business Innovation and Employment (MBIE). The Long Term Investment Fund (LTIF) performed better than expected (by \$925,000) due to stronger market conditions. The gain on derivatives (\$2,283,000) and vested assets (\$2,145,000) were unbudgeted.

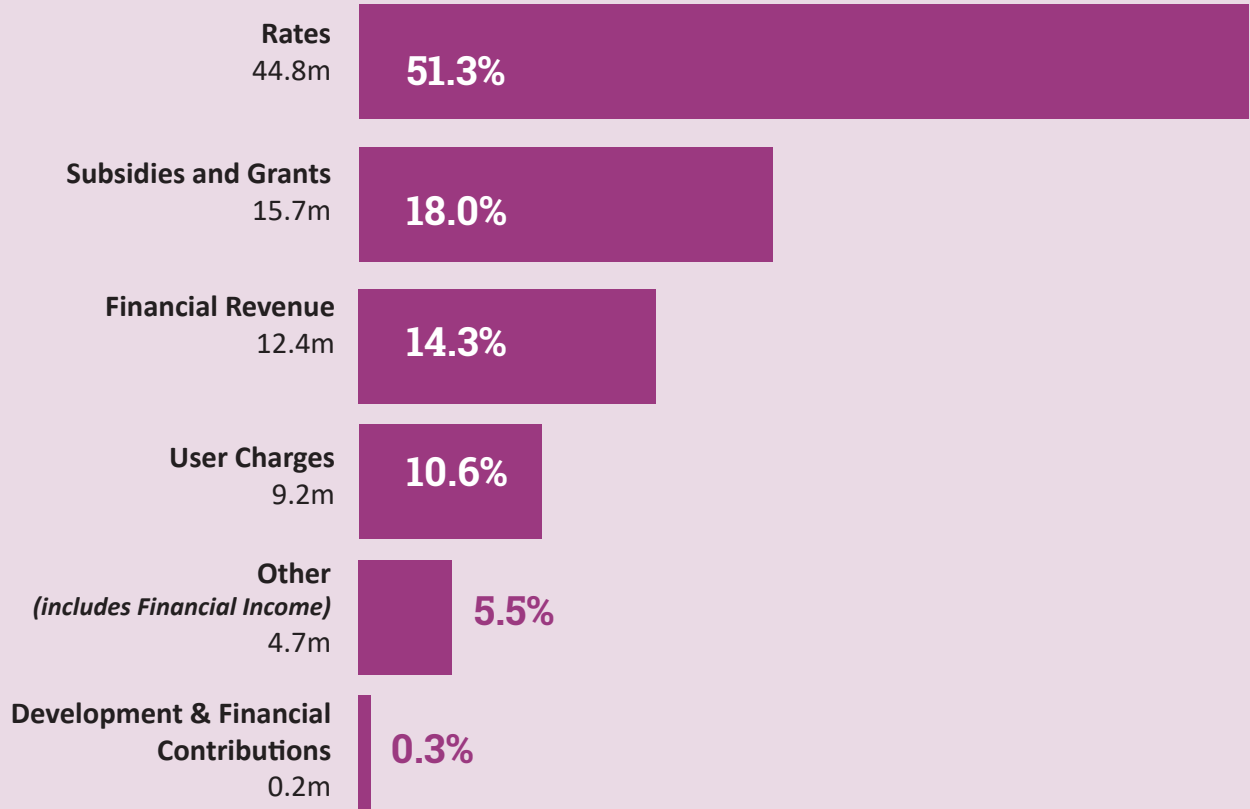
### Expenditure

Total expenditure was \$13,502,000 over budget mainly as a result of the increase in depreciation on Council's assets (\$4,295,000), contractor costs (\$2,400,000), maintenance required as a result of weather events and flood damage (\$1,900,000), and increased interest costs (\$1,346,000).

### Standard and Poor's Credit Rating (May 2023)

AA rated Council with Stable outlook.

## Operating Revenue - \$87.2m



# Statement of Financial Position

## Net assets as at 30 June 2023

\$ million	Actual 2022/23	Budget 2022/23	Actual 2021/22
Total assets	\$1,439 million	\$1,152 million	\$1,427 million
Less total liabilities	\$140 million	\$151 million	\$128 million
Net assets	\$1,299 million	\$1,001 million	\$1,299 million

### Long Term Investment Fund (LTIF)

The value of the LTIF at 30 June 2023 increased to \$144.84 million (\$143.5 million in 2022) which included internal borrowing of \$14.2 million (\$15.6 million in 2022) and after allowing for the withdrawal of the annual rates subsidy. The balance of the LTIF increased mainly because of better market conditions compared to last year. The market conditions continue to be volatile due to inflationary pressures, high interest rates and on-going war between Russia and Ukraine.

### External Funds

The budgeted return was \$9.20 million (\$0.61 million of interest revenue from internal borrowings) but the LTIF received a positive return of \$10.12 million (\$0.61 million of interest revenue from internal borrowings) in the 2022/23 year. During the year the Council withdrew \$5.79 million for the annual rates subsidy and received \$1.34 million for internal loan repayments and \$0.61 million for the interest on internal loans.

### Term Debt

The Council's total borrowing increased to \$136.14 million (\$128.97 million in 2022) which included \$14.24 million of internal borrowing (\$15.57 million in 2022).

### Local Government (Financial and Prudence) Regulations 204

The Council is required to include Financial Prudence Benchmarks in its Annual Report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. The key benchmarks for 2022/23 are summarised below:

### Key 2022/23 Benchmarks

Key 2022/23 Benchmarks	Benchmark	Achieved
Rates (Increase) Affordability	<4.75%	Yes 2.84%
Debt Affordability	Net interest expense as a percentage of total annual income (<15%)	Yes 7%
Debt Affordability	Net debt per capita is less than \$2,000 per person	Yes -\$685.25
Balanced Budget	Revenue equals or is greater than its operating expenses (=>100%)	No - 93.82%
Debt Servicing	Borrowing costs equal or are less than 10% of its revenue (=<10%)	Yes 7.13%

## Fund Analysis

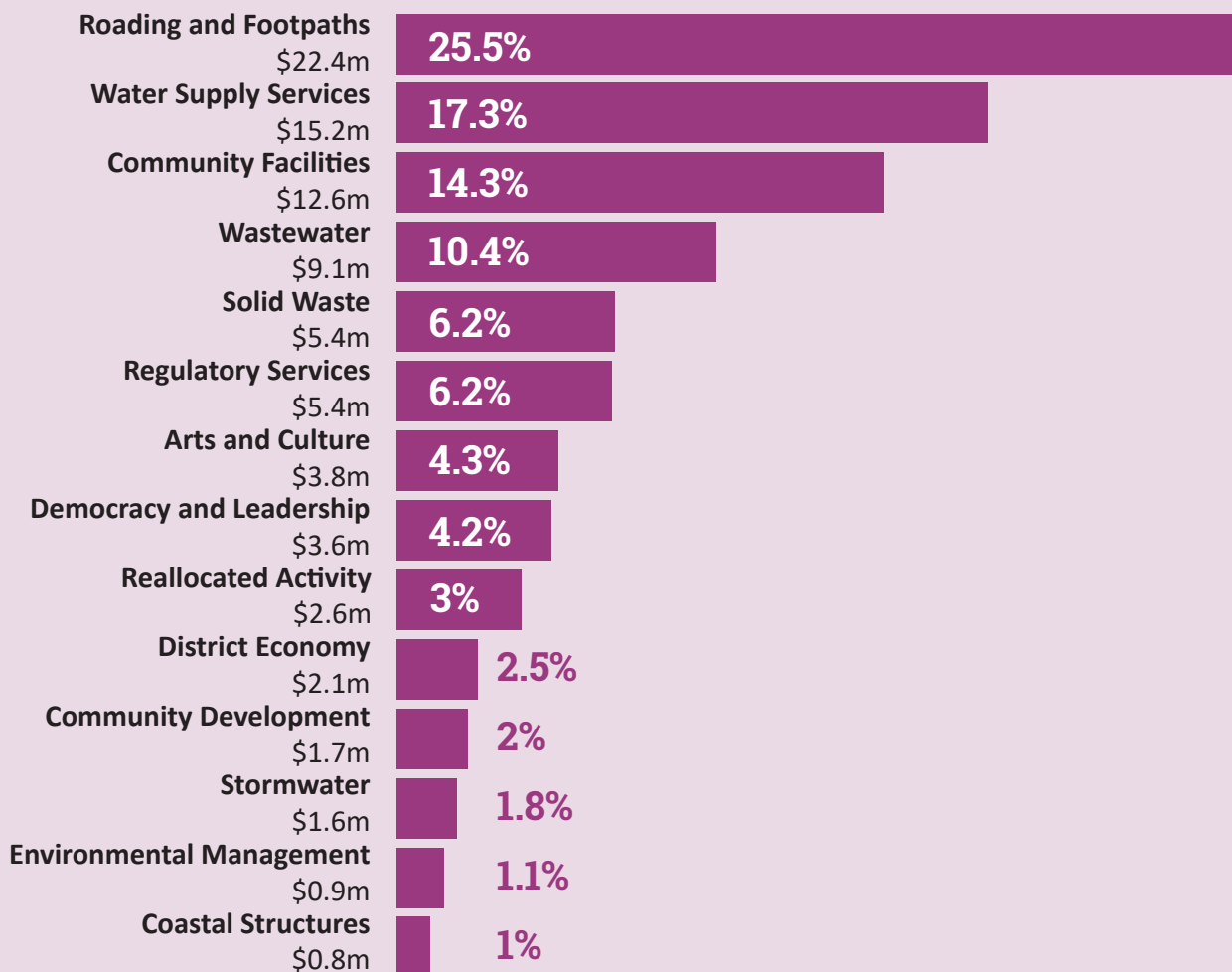


# Āhuatanga Pūtea me ngā Nekehanga Moni

## Financial Performance and Movements in Equity

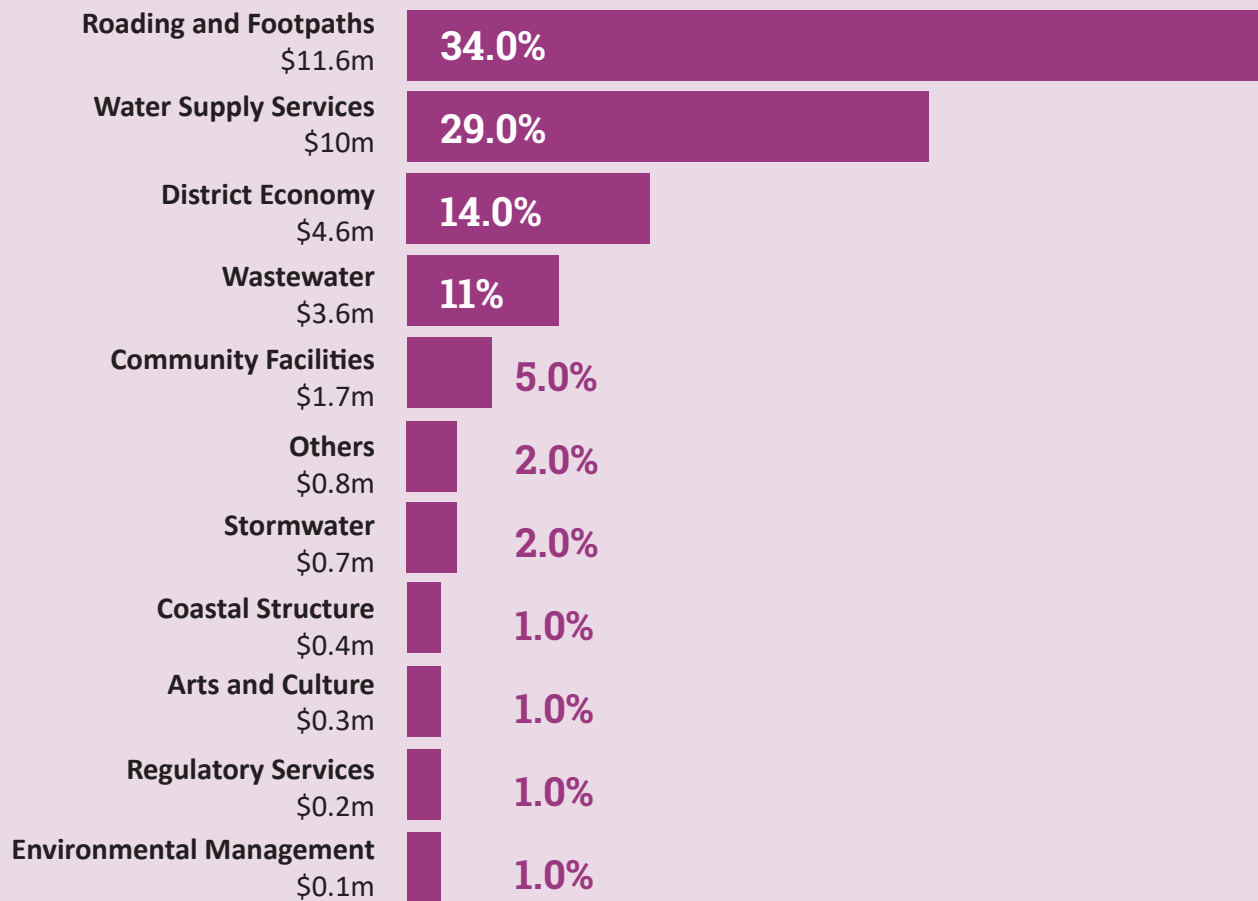
(\$ million)	Actual 2022/23	Budget 2022/23	Actual 2021/22
Operating revenue	\$87.26 m	\$80.47 m	\$75.63 m
Operating expenditure	\$88.03 m	\$74.53 m	\$74.81 m
Net operating surplus/(deficit)	\$0.77 m	\$5.94 m	\$0.82 m
Net increase/(decrease) in value of assets	\$10.84 m	\$12.28 m	\$343.41 m
Total Movements in Equity	(\$0.43 m)	\$21.57 m	\$353.09 m

### Operating Expenditure - \$88m





## Capital Expenditure - \$34.5m



# Āhuatanga Pūtea me ngā Nekehanga Moni

## Financial Performance and Movements in Equity

### Summary Statement of Financial Position

As at 30 June 2023

	Actual 2022/23 (\$000)	Council Budget 2022/23 (\$,000)	Consolidation Actual 2022/23 (\$000)	Council Actual 2021/22 (\$000)	Consolidation Actual 2021/22 (\$000)
Current assets	117,616	119,837	117,616	117,465	117,465
Non-current assets	1,321,236	1,032,675	1,321,236	1,309,691	1,309,691
<b>Total Assets</b>	<b>1,438,852</b>	<b>1,152,512</b>	<b>1,438,852</b>	<b>1,427,156</b>	<b>1,427,156</b>
Current liabilities	35,389	25,488	35,389	22,170	22,170
Non-current liabilities	104,357	125,618	104,357	105,452	105,452
<b>Total Liabilities</b>	<b>139,746</b>	<b>151,106</b>	<b>139,746</b>	<b>127,622</b>	<b>127,622</b>
<b>Total Equity/Net Assets</b>	<b>1,299,108</b>	<b>1,001,406</b>	<b>1,299,108</b>	<b>1,299,534</b>	<b>1,299,534</b>

### Summary Statement of Comprehensive Revenue and Expenses

For the year ended 30 June 2023

	Actual 2022/23 (\$000)	Council Budget 2022/23 (\$,000)	Consolidation Actual 2022/23 (\$000)	Council Actual 2021/22 (\$000)	Consolidation Actual 2021/22 (\$000)
Total Revenue	87,264	80,467	87,264	75,629	75,629
Total Expenses (including finance cost)	88,032	74,530	88,032	74,814	74,814
<b>Total operating surplus/(deficit) before tax</b>	<b>(768)</b>	<b>5,936</b>	<b>(768)</b>	<b>815</b>	<b>815</b>
<b>Other comprehensive revenue and expenditure</b>					
Increase/(decrease) in revaluation reserves	342	0	342	0	0
Gain on asset revaluation	0	0	0	352,284	352,284
<b>Total other comprehensive revenue and expenditure</b>	<b>342</b>	<b>0</b>	<b>342</b>	<b>352,284</b>	<b>352,284</b>
<b>Total comprehensive revenue and expenditure for the year</b>	<b>(426)</b>	<b>5,936</b>	<b>(426)</b>	<b>353,099</b>	<b>353,099</b>

## Summary Statement of Changes in Equity

For the year ended 30 June 2023

	Actual 2022/23 (\$000)	Council Budget 2022/23 (\$,000)	Consolidation Actual 2022/23 (\$000)	Council Actual 2021/22 (\$000)	Consolidation Actual 2021/22 (\$000)
<b>Equity at the beginning of the year</b>	<b>1,299,534</b>	<b>995,470</b>	<b>1,299,534</b>	<b>946,441</b>	<b>946,441</b>
Net surplus/(deficit) for the year	(768)	5,936	(768)	815	815
Other comprehensive income/(loss)	0	0	0	352,284	352,284
Adjustment to investment revaluation reserve	342	0	342	(6)	(6)
<b>Total comprehensive income including adjustment for the year</b>	<b>(426)</b>	<b>5,936</b>	<b>(426)</b>	<b>353,093</b>	<b>353,093</b>
<b>Equity at the end of the year</b>	<b>1,299,108</b>	<b>1,001,406</b>	<b>1,299,108</b>	<b>1,299,534</b>	<b>1,299,534</b>
<b>Comprising:</b>					
Accumulated Balances	486,813	473,359	486,813	485,203	485,203
Restricted and statutory reserves	3,782	2,753	3,782	3,351	3,351
Investment revaluation reserves	343	6	343	0	0
Separate Operating Reserves	6,463	3,736	6,463	10,878	10,878
Council Created Reserves	146,498	158,726	146,498	144,974	144,974
Capital Replacement Reserves	534	360	534	453	453
Asset revaluation reserves	654,675	362,466	654,675	654,675	654,675
<b>Total Equity/Net Assets</b>	<b>1,299,108</b>	<b>1,001,406</b>	<b>1,299,108</b>	<b>1,299,534</b>	<b>1,299,534</b>

## Summary Statement of Cashflows

For the year ended 30 June 2023

	Actual 2022/23 (\$000)	Council Budget 2022/23 (\$,000)	Consolidation Actual 2022/23 (\$000)	Council Actual 2021/22 (\$000)	Consolidation Actual 2021/22 (\$000)
Net cashflows from operating activities	17,915	21,997	17,915	21,028	21,028
Net cashflows from investing activities	(32,720)	(45,070)	(32,720)	(26,235)	(26,235)
Net cashflows from financing activities	8,425	11,430	8,425	1,351	1,351
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(6,381)</b>	<b>(11,642)</b>	<b>(6,381)</b>	<b>(3,856)</b>	<b>(3,856)</b>

# Three Waters

## Three Waters Reform

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

The financial impact of the water services reform on the Council remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

# Pūrongo Kaitātari Kaute Motuhake

# Independent Auditor's Report

# Deloitte.

## To The Readers Of South Taranaki District Council's Summary Of The Annual Report For The Year Ended 30 June 2023

The summary of the annual report was derived from the annual report of the South Taranaki District Council (the District Council) for the year ended 30 June 2023.

The summary of the annual report comprises the following information on pages 13 to 18 and 26 to 28:

- the summary statement of financial position as at 30 June 2023;
- the summaries of the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended 30 June 2023;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary performance of services activities.

## Opinion

In our opinion:

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

However, the summary performance of service activities information includes a limitation in scope to the equivalent extent as the full audited non-financial performance information. This limitation is explained below in *the full annual report and our audit report thereon section*.

## Summary of the Annual Report

The summary of the annual report does not contain all the disclosures required by generally accepted

accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

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

## The full Annual Report and our Audit Report thereon

We expressed a qualified opinion on the activity statements and an unmodified audit opinion on the other audited information in the full annual report for the year ended 30 June 2023 in our auditor's report dated 30 October 2023. The basis for our qualified opinion on the activity statements is explained below.

The District Council is required to report in its full annual report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. We identified significant issues with some of these performance measures as described below. As a result of these issues, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported results for these performance measures for the current year and the 2020/21 baseline performance.

## Total number of complaints received – Water supply and Wastewater

The District Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. These mandatory performance measures include the number of complaints (per 1,000 properties connected) received about the following:

- drinking water clarity, taste, odour, pressure or flow, continuity of supply, and the District Council's response to any of these issues; and
- sewage odour, sewerage system faults and blockages, and the District Council's response to issues with the sewerage system.

# Pūrongo Kaitātari Kaute Motuhake

## Independent Auditor's Report

These measures are important because the number of complaints is indicative of the quality of services received by ratepayers.

The Department of Internal Affairs has issued guidance to assist local authorities in applying the Rules, including on how to count complaints. Our audit testing found that the District Council has not been counting after-hours complaints in accordance with this guidance and that the District Council's method of counting was likely to have understated the actual number of complaints received in the current year and in the comparative year to 30 June 2022. Complete records for all after-hour complaints made to the District Council were not available and we were unable to determine whether the District Council's reported results for these performance measures were materially correct.

As a result, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the number of complaints reported against these performance measures.

### **Emphasis of matter - The Government's three waters reform programme**

Without further modifying our opinion, we draw attention to page 28, which outlines developments in the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the Council as outlined on page 28 remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

### **Council's responsibility for the summary of the Annual Report**

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

### **Auditor's responsibility**

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

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out an assurance engagement on trustee reporting, which is compatible with those independence requirements. Other than this engagement we have no relationship with or interests in the District Council.



**Bennie Greyling**  
for Deloitte Limited  
On behalf of the Auditor-General  
Auckland, New Zealand  
10 November 2023

## How we prepared these statements

This summary report has been taken from the South Taranaki District Council 2022/23 Annual Report. The Annual Report, adopted on 30 October 2023, has been prepared in accordance with Tier 1 PBE Standards and contains detailed information about our finances and service provision. Deloitte Limited has issued a qualified opinion on the activity statements and an unmodified audit opinion on the other audited information in the full Annual Report.

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

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

This summary Annual Report was authorised by the Chief Executive Officer of the South Taranaki District Council on 10 November 2023.



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