

# WE ARE.

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BBB

Making our  
communities better

South Taranaki District Council

Independent assessment report | October 2017<sup>\*</sup>

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



A measure  
for better  
community value.

<sup>\*</sup> Period of assessment: April 2017

# Assessment Summary

## AT A GLANCE



South Taranaki is located on the west coast of the North Island. It is a district steeped in history from Puniho Pā to Nukumaru.



LARGE METRO

SMALL METRO AND LARGE PROVINCIAL

**SMALL PROVINCIAL AND RURAL**



REGIONAL

## The current situation

South Taranaki is on the west coast of the North Island. There are many small towns in the district and the Council is based in Hawera, the largest of these. The district has a wide range of housing stock that is considered affordable relative to other areas and may help attract new residents and/or retain those who might otherwise look to leave.

The Long Term Plan assumes a small population growth of 0.3 per cent a year over 10 years. The growth is centred on Hawera, with static or declining populations in the other towns as farm amalgamations continue and as new coastal properties, predominantly holiday homes, develop.

The dispersed nature of the towns in the district means that there are 10 drinking water supplies and eight wastewater schemes. The Council owns infrastructure assets valued at \$644 million which are used in the delivery of its services to its communities. The predominant industry is dairying, with more than 300,000 dairy cows in the district and a large milk processing plant at Whareroa. Associated industries such as cheese making, freezing works, protein processing works and light industrial businesses are

also important to the district. Large quantities of oil and gas are extracted and processed in South Taranaki.

### Period of assessment

The assessment took place on 4 and 5 April 2017.



**\$2,100**  
GROSS DOMESTIC<sup>1</sup>  
PRODUCT

SERVES  
**26,577**

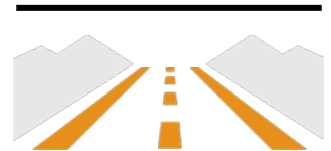
PEOPLE<sup>2</sup>, A MIX OF  
83% EUROPEAN/PAKEHA  
24% MĀORI



POPULATION TREND  
STABLE

MAKES UP  
**1.333%**  
OF NEW ZEALAND'S TOTAL LAND AREA<sup>3</sup>  
REPRESENTING SOUTH TARANAKI  
DISTRICT FROM WAREA AND  
PUNGAREHU THROUGH TO WAINU  
BEACH. AN AREA OF  
**3,575 km<sup>2</sup>**

RESPONSIBLE FOR  
**1,610km**  
ROADS<sup>4</sup>



## Key learnings

The Council is doing many things well. Some sections of the community see this while others do not. Similarly, some within the community, notably Māori/Iwi and some business groups, feel the Council is listening to them while others feel that they are being talked to. Much of this centred on a coherent, easy-to-understand longer term vision for the district. Other key learnings were:

- > The Council manages its infrastructure spending within the limits of what ratepayers can afford.
- > The Council intends to revitalise its towns to deal with amenity issues in order to attract and retain residents and visitors and to address earthquake risk in buildings. This revitalisation will help to align the views of the community and the Council, with both recognising the need to be ready to facilitate employment and retain people.
- > The Council has committed councillors and competent executive and staff who are responsive to community needs.
- > Service delivery is effective and at times innovative, and relationships with stakeholders and its community are generally constructive.
- > The Council has cleverly used its organisational culture to attract new talent, and there is strong professional and leadership development, as well as succession planning. Its public service ethos is strong, reflecting a robust organisational culture and a close relationship with its community and customers.

<sup>1</sup> MBIE 2016

<sup>2</sup> Stats NZ Census 2013

<sup>3</sup> DIA 2013

<sup>4</sup> Ministry of Transport 2013/14

# Assessment Summary

## continued...

### OVERVIEW

South Taranaki District Council has a strong internal culture that is positively reflected amongst staff and in its interactions with its community and stakeholders. The Council is largely responsive to community needs and is performing competently in most assessment areas. Major infrastructure works in recent years provide a sound footing for the future. The Council has a self-described conservative approach to risk. With strong commitment, a sound financial setting, requisite operating expertise, continuous improvement and community engagement, the Council is well-placed to further increase its effectiveness.

### RATING



## Findings



**THERE IS AN OPPORTUNITY TO BETTER COMMUNICATE THE OVERALL VISION AND PURPOSE THE COUNCIL HAS FOR THE DISTRICT, AND TO SHOW HOW THE COUNCIL'S ACTIVITIES AND INITIATIVES ARE CONTRIBUTING TO THAT VISION.**

A strong focus on community and stakeholder engagement is yielding some excellent results. However, communications and marketing are under-resourced for the level of activity the Council seeks to achieve.



**GOOD PUBLIC ACCOUNTABILITY REQUIRES THE COUNCIL'S VISION AND GOALS TO BE CLEARLY AND DIRECTLY LINKED TO A WELL-BALANCED PERFORMANCE FRAMEWORK.**

This will enable the community to not only assess the progress being made towards the goals, but also to understand the value for money it receives from rates and to be more supportive of the goals.



**LOCAL GOVERNMENT REQUIRES EVER-INCREASING SKILLS TO MANAGE DIVERSE OPERATIONS AND COMPLEX ASSETS AND TO DELIVER LARGE SCALE PROJECTS. THIS PRESENTS PARTICULAR CHALLENGES FOR SMALL COUNCILS.**

The Council needs to strike a balance between engaging external expertise and developing its internal capability.

## Commonly used terms

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



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

#### STRENGTHS

The Council has a strong community connection, expressed in its unofficial philosophy of “eight towns, one district.”

As an organisation, it is engaged and service focused.

Its finance team is capable, is focused on doing the basics well, and maintains modest increases in rates.

Its infrastructure team demonstrates sound technical competence.

The Council has a growing commitment to working with Māori/Iwi, with a genuine desire to create opportunities for better decision-making.

#### AREAS OF IMPROVEMENT

Strategic documents should be more succinct, and should more clearly identify the purpose of the Council’s strategies and objectives.

The Council needs to work on its risk framework, including obtaining a peer review of priorities and definition of the risk appetite in key activities.

There needs to be a greater focus on self-review and self-evaluation. The Council has deliberately decided not to undertake s.17A reviews, relying instead on the quality of its own review processes to improve service delivery.

The Council would benefit from a meaningful performance measurement framework that links operational activity more effectively to its strategic goals, making greater use of quality, value for money and cost-efficiency measures.

The Council needs to further work to modernise its online communications and transactions for residents.

# Leading locally

## Governance, leadership and strategy

The Council has a strong and well-structured operating culture, and this is reflected in the relationships that exist between the governance and management of the organisation. The Council’s “purpose, strategy and vision” can be defined as “steady as she goes,” with a strong focus on prudent financial management, community delivery and investment in infrastructure. There is a broader vision to invigorate the town of Hawera but stakeholders (Iwi, business, community) do not feel this has been communicated well enough to leverage opportunities for private and community investment.

### Priority grading

Better than competent

<From a governance perspective, the Council is still in the process of determining a purpose and it is difficult to determine whether the strategy is to “retain population and grow” or “attract population and grow”>

The Council is doing well in managing the tactical aspects of its functions. The 2015-25 Long Term Plan has a broad and functional vision. Core business functions are carried out at affordable levels. The Council has defined priorities, strategies, plans, policies and structure, and the community and stakeholders spoken to generally endorse the Council’s management. Relationships with local business and community are good overall, and developing with Māori/Iwi. All relationships could be strengthened by better communication of a longer term vision beyond providing good services to the towns as a means of maintaining social cohesion and a platform for opportunity.

### Setting the direction for the community

Much of the Council’s strategy and vision seems to hinge on a “steady as she goes” approach, with prudent financial management and investment in infrastructure. In the last Long Term Plan, South Taranaki District Council did develop a broader vision to reinvigorate the town of Hawera, and to tap into what is obviously a strong community spirit in an effort to have more community lead initiatives. However, the communications of this greater vision has not been explicit, and the Council has not distilled its Long Term Plan and other strategic documents into a small number of clear messages about direction and future outcomes. Business, community and Iwi are therefore uncertain of the broader vision – and therefore where to direct and leverage effort and investment.

The catchphrase “alive with opportunity” is in place and the Council also uses the following mission statement: “Council will lead with fairness and integrity, and work to inspire a vibrant and caring spirit of community, while remaining an efficient and sensitive provider of services and facilities.”

The Mayor, councillors, Chief Executive and staff have a strong sense of operational purpose, underpinned by a demonstrably strong culture. Several people described the vision as a “district of small towns” – a phrase remaining from the time of the previous Mayor, who retired ten years ago.

The Long Term Plan sets out seven community outcomes: vibrant South Taranaki; connected South Taranaki, together South Taranaki; secure and healthy South Taranaki; prosperous South Taranaki; skilled South Taranaki and sustainable South Taranaki. Each of these outcomes is also explained in the Council

documentation, but there are no effective measures provided for determining their achievement.

## Creating confident council leaders

The Council works hard at building a positive working governance culture. It has a comprehensive and well-developed induction programme for incoming elected members, covering the Long Term Plan, directorates, operations and major projects. Induction documentation and supporting information is provided at an appropriate level of detail and scope and the programme is “staged” over several months so new councillors can effectively process and understand the information.

Training beyond initial induction is less-well developed. Councillors attend sessions provided by LGNZ, SOLGM and other providers from time-to-time. None of the councillors have attended recognised general governance training such as an Institute of Directors course, for example.

Several councillors reported that they find the financial information provided by management difficult to understand. The independent Audit and Risk Committee Chair said that while his Committee is providing an important insight, the financial knowledge and literacy of the councillors was an issue. This has direct relevance for effective decision-making in relation to the Council’s investment portfolio.

There is no formal, independent evaluation of councillors either individually or as a council. The Mayor conducts one-on-one briefings with each and every councillor (new and returning) following the election, to discuss formal and informal priorities, and to identify areas of interest. These are appreciated by all, and have provided helpful insight to inform committee selections and committee chairs.

## Effective working relationships

The Mayor and the Chief Executive have a strong working relationship. They are publicly united in their presentation to the community, and will often both attend stakeholder meetings.

The Chief Executive’s performance agreement is generally well-aligned to the Council’s goals, and has a range of qualitative and quantitative measures. It would be enhanced by including feedback from external stakeholders.

Councillors feel that “they are a cohesive group.” Despite the varying levels of technical and governance experience, both the Mayor and staff report that the councillors work well together, and that they have observed no evidence of “grandstanding” or “single issue promoters.”

## Strengthening risk management

The Council’s approach to risk management should improve with the detailed implementation of the risk management framework through its Audit and Risk Committee. There is one independent member (the chair) on the Audit and Risk Committee. The Council

is continuing to work through on improving the level of reporting provided to the Committee following requests for more information and more explicit linkages to the Long Term Plan, the Committee’s charter and associated documentation.

## Focusing on health and safety

The Council has a strong commitment to providing a safe working environment for staff, contractors and members of the public who interact with them or use council facilities. A formal Health and Safety training module (“Bubble Wrap”) is used to train all staff in safe workplace practices and is followed up with formal reviews.

A Health and Safety Committee comprised of staff and one senior manager meets monthly to review identified health and safety matters and to provide reporting to the senior leadership team and councillors. Health and Safety reports and minutes of monthly meetings were sighted. Notwithstanding its strong commitment, the Council is yet to formalise its risk reporting framework and a risk register report is yet to be fully implemented.

A formal assessment of the Council’s workplace practices was performed in November 2016. Tertiary-level qualification was retained.

While the Council uses a software tool (Vault) to capture Health and Safety incidents and areas of risk (and the results are reported), the use of formal lead and lag indicators would further enhance the quality of reporting to senior management and councillors.

## Management

The Council management has worked hard to create an internal culture that is an “attractor” to new staff. The development and sustaining of this culture is a core reason why it has managed to attract the capability it needs.

There is clear evidence, based on the work programme and the discussions with managers and staff, that the organisation is lean in terms of resourcing. This seems to be both a conscious strategy to contain costs and an issue of attracting the right skills and talent. However, the Council acknowledged it needs to either add resources or to limit the number of projects, to ensure quality is not compromised. The carry-forwards are also an indicator that project ambition may be ahead of project delivery.

## Strengths

Interaction between the councillors, the Mayor, the Chief Executive and the staff demonstrate a strong organisational culture founded on trust.

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There is a comprehensive induction programme for incoming councillors. This programme covers the Council's internal structure, Long Term Plan, operations and major projects. The induction is implemented over several months with documentation and supporting information provided at an appropriate level of detail.

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The councillors work well together, despite varying levels of technical and governance experience.

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The Mayor and the Chief Executive have a strong working relationship, with both holding their position for more than a decade. The Mayor and the Chief Executive share administrative support and their offices are adjacent to each other.

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The Council uses a structured framework of workshops and ad hoc committees to develop, review and refine proposals before a formal decision is made by the full Council.

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## Areas for improvement

The introduction of a formal independent evaluation system would help the Council understand the individual and collective capability of councillors.

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There should be an ongoing training and development programme for councillors to enhance capability and effectiveness.

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The overall purpose and strategy of the Council should be finalised and documented.

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The priorities in the Long Term Plan should be explicitly linked to the overall purpose and strategy of the Council.

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# Investing money well

## Financial decision-making and transparency

The Council has sustained a long period of financial stability and good financial management underpinned by sound financial management practices, a clear and balanced financial strategy and careful management of its long-term investment fund. The result has been rates increases that are affordable for its community and a well-planned programme of investment in asset renewals, although this is somewhat constrained by the available resources.

### Priority grading

Better than competent

< The Council takes a balanced approach to financial management. Its financial strategy has been based on a sustainable balance between rates affordability and adequate levels of asset renewal. >

There is a strong focus on rates control using the Local Government Cost Index plus one per cent. There is also basic infrastructure renewal every year, although this is complemented by additional expenditure on issues of importance to the community such as the revitalisation of Hawera's town centre.

The Council's financial position saw the council's credit rating raised from an A+ stable to an A+ positive by Standard and Poors in May 2016.

### Planning and evaluating financial goals

The Council's finances comply with the Local Government Act. Its forward-looking strategy is balanced by prudent management of a long-term investment fund, and it has a strong focus on containing rates increases.

The Council's financial position is strong in terms of increase in investments and total net assets. Further, after more than eight years of major infrastructure upgrades, the Council is moving into

a period of retiring the debt that was used to fund both the upgrades and new infrastructure.

The Council manages its investments and borrows prudently. The Council's debt has been incurred as a result of investments in drinking water and wastewater infrastructure, and in community facilities. The Council could pay off its debt in the short-term by using its long-term investment fund monies, but it is taking a conservative approach and will continue borrowing while its return on investments outweighs the cost of financing its debt.

The Council's debt is projected to rise to \$140.45 million (including internal borrowings of \$13.3 million) by the end of 2016/17, as a result of projected capital expenditure of \$23.11 million in the coming year.

Loan repayments for 2016/17 (including repayments on internal borrowings) are considered sustainable as they are within the limits of the Council's liability management policy. The Council has a long term investment fund. The long-term investment fund is projected to be at \$135.7 million (including internal borrowings of \$13.3 million). The projected return on the long-term investment fund is \$8.27 million (excluding \$0.81 million interest on internal borrowings) at 6.9 per cent return for 2016/17.

In 2015/16, the fund made \$7.546 million, of which the Council drew down \$5.6 million. It used \$3.87 million to subsidise general rates and the other \$1.73 million to service interest and loan repayments for specific community projects.

The long-term investment fund has returned \$98 million to the community since its commencement in 1997. Up to 30 June 2017, it achieved an average gross return (before subsidy and inflation) of 7.22 per cent per year.

### Assessing the financial data

The Council's financial reporting, both internally and to its community, is clear and transparent. It follows generally accepted practices and councillors receive a high-level monthly overview supported by more detailed quarterly financial reports.

The quarterly financial reports are presented to the Audit and Risk Committee for detailed oversight and comment before they go to the Council for approval. Quarterly financial reports are also made available to the public through the Council's agendas.

The reporting of financial information, including the way it is presented, is being continuously improved. A summary tool is being used which has undergone further development after feedback from councillors.

Staff in the finance team indicated they had a good appreciation of all the material issues the Council faces. Staff believe they are proactive in looking for ways to continuously improve financial reporting, so councillors are both well-informed and able to make prudent decisions.

## Addressing financial risk

The Council takes a non-traditional approach to its committee structures. Twenty years ago, in undertaking efforts to make the decision-making process more responsive, a decision was made to streamline the committee structures. Many traditional standing committees were disestablished and replaced by informal and flexible "portfolio groups" that assemble as required. Risk was covered by the corporate portfolio group and no clear policy or framework was adopted on the Council's approach to risk management

In 2016, the corporate portfolio group was superseded by an Audit and Risk Committee with an independent chair. A risk management framework, including a risk policy, was developed and approved by the senior leadership team and then adopted by the Audit and Risk Committee. The risk register is still being developed, so it is too early to assess its quality and rigour.

In major projects, risks specific to that project are identified before the commencement of works. Appropriate risk treatments are put in place for effective monitoring throughout the project. Asset management plans identify each activity's risks and its mitigation strategies in detail. Staff then monitor these risks, and report on them. The identification and mitigation of risks is a standard section in the Council's reporting templates.

A wide variety of channels are used to keep councillors informed on progress and emerging risks. These channels include the Chief Executive's fortnightly newsletter, emails, workshops and portfolio group reporting (eg from engineering group and community services group). The Council also publicly adopts the core infrastructure asset management plans which detail specific risk and mitigation strategies.

## Balancing the budget

Council reviews budgets against its strategy and priorities, and the Chief Executive sets clear parameters for the compiling of budgets. The Council uses zero-based budgeting. Budget managers generally deliver appropriate information in a timely

manner, although third-tier managers have reported resourcing difficulties.

The Council has experienced some difficulties in completing capital projects within their planned timelines. This has resulted in significant under-expenditure in a given financial year, and significant amounts being carried forward. Standard and Poors noted this factor as something to monitor. The Council should consider using a business case framework to enhance the quality of its business cases for major investments. This should help the Council identify issues, resources and barriers as part of its development.

## Meeting financial targets

The overall financial position of the Council is strong, thanks to prudent management of its long-term investment fund. The Council meets fiscal benchmarks, and there is ample evidence that it is balancing expenditure with prudent reinvestment in assets.

The Council has undertaken a well-planned programme of investment in asset renewals.

## Being clear and transparent

A new procurement policy was adopted in 2016. The development of a procurement manual for staff which aligns practice with the policy is underway. While the policy has sound principles, it lacks clarity and specificity.

Very few major financial decisions are made outside the long term plan or annual plan process. When they are, the Council uses its significance and engagement policy to decide whether consultation is required.

### Strengths

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The finance team is capable, and is focused on doing the basics well.

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The Council maintains modest increases in rates through prudent budgeting and expenditure control.

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The Council regularly meets the benchmarks for fiscal prudence.

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There is an appropriate level of expenditure for the renewal of major infrastructure assets.

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There is sound financial management, for example, the management of the long term investment fund.

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## Areas for improvement

The risk register needs explicit linkages to the Council's strategy and its community outcomes.

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Project management needs to be improved, so that capital projects are completed on time.

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The Council should consider using a business case framework to enhance the quality of its business cases for major investments.

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# Delivering what's important

## Service delivery and asset management

The Council's delivery of its operational services shows a sound level of competence, particularly in terms of its knowledge and management of key infrastructure assets. However, it could better address issues of cost analysis, performance measurement and operational efficiency.

### Priority grading

Better than competent

< The asset strategies adequately identify the current state and the priorities for the short to medium future. >

However, there is some ambiguity with the "long-term goal" in that there are contradictory messages in the overall Council strategy of "retain and grow" versus "attract and grow".

### Planning and evaluating service goals

The Council's spending on infrastructure accounts for 51 per cent of its operating budget and 89 per cent of its capital expenditure. The Council has been working to improve its knowledge of the condition of its assets. Confidence in the condition of its roads and footpaths is high, largely because its renewals programme has found that actual pavement condition matches its expectations as shown in the Community Satisfaction Surveys. Asset data for the three waters (drinking water, stormwater and wastewater) are more variable, with confidence in the condition of these assets generally classified as uncertain.

Nearly all facilities for wastewater and drinking water treatment have been upgraded to meet standards. As a consequence, there is no further investment expected in these asset areas in the short-term. However, the condition of the reticulation networks for the three waters, which are valued at more than \$160 million, is more uncertain. A major renewal programme is signalled in the 30-year infrastructure strategy.

The Council is party to the Regional Waste Services Management Agreement for the disposal of solid waste. Solid waste collected in the district is taken to New Plymouth District Council's Colson Road Landfill, which is close to capacity. A new landfill, known as the Central Landfill, is planned to open near Eltham in about two or three years.

Infrastructure planning is well co-ordinated. There is a strong focus on improving the asset database and more accurately predicting the timing of renewals. Pipe sampling and testing is leading to better knowledge of those assets and to targeted improvements. The asset management plans are comprehensive, and all relevant issues are identified.

Drinking water consumption rates are well above the national average. However, the volume is skewed by the large proportion of dairy farms and other industry in the district. South Taranaki supplies 300,000 dairy cows with water that meets New Zealand's drinking water standards. In addition, major industry (seven connections) use 14 per cent of the district's drinking water.

Knowledge of water demand is good, and CCTV is used throughout the different catchment areas to ensure the resource is safely managed. Testing is undertaken appropriately across the network.

The Council provides wastewater services to 8,000 connections. Sewage in each of the district's eight towns is treated at individual wastewater plants.

All plants except Eltham discharge into the local environment; streams, rivers, the sea or land. Discharge from the Eltham Wastewater Plant is further treated at the Hawera plant, which discharges through the shared Fonterra outfall close to Whareroa.

The Council's roading network is relatively well-planned and maintained, with few major improvement projects planned. The Council has a constructive relationship with the NZ Transport Agency (NZTA), which partly funds local roads. The Council is responsive to local needs and its strategy is based on NZTA priorities and considerations of financial sustainability. However, in June 2015, heavy rainfall in the central North Island and subsequent flooding caused substantial damage to parts of the district's roading network.

Rural roads that service forestry blocks have experienced a large increase in the number and weight of vehicle movements as the forests have been harvested. The structure of these roads has been significantly damaged, and in some cases the road has been effectively destroyed. As a result, unplanned but substantial renewal expenditure is required. The Council is working to determine the potential extent and timing of additional renewals, and is coordinating with landowners and road users on the implications of all outcomes.

The Council is developing a comprehensive programme for renewing and replacing its 230 bridges, which have a combined replacement value of \$60 million. Of these bridges, 27 have limited weight capacity or do not meet the requirements for the newly introduced maximum 50 tonne loading, and many bridges on rural roads are nearing the end of their serviceable lives. Replacements have been identified, and have been prioritised in the 30-year infrastructure plan.

## Addressing regulation

The Council consistently meets its obligations for the control of building in the district, as reflected in its IANZ accreditation. The Council has a strong customer focus. Feedback from business stakeholders indicates that while staff makes sure that building consents comply with requirements, they also listen to customers, keep customers informed, and try to work constructively towards solutions. Stakeholders consistently said the staff are “better to work with than most councils” and are “strict but fair.”

There appear to be some challenges in dog control, despite “high” public satisfaction with this (82 per cent of respondents in 2016 and 80 per cent in 2015) as shown in the community satisfaction survey. There were 1,301 dog complaints in the 2015/16 financial year and 1,186 in the previous year. While some of the increase can be attributed to attacks on stock within the town of Waverley in 2016, the figure is still relatively high. Performance measures that focus on a transaction (eg the time taken to respond to a complaint) rather than on an outcome (eg a progressive reduction in the number of dog attacks) do not help the Council achieve what the regulations require.

The Council does not have a formal enforcement strategy for its regulatory activities. Nevertheless, in animal control, it has demonstrated a willingness to prosecute, where appropriate.

## Assessing service quality

The Council has decided not to undertake service reviews under s.17A of the Local Government Act because it considers the costs of these reviews exceed their benefits in four areas: activities which have expenditure of 2.5 per cent (or less) of the Council’s total annual expenditure, solid waste, libraries and its aquatic centre and rural pools.

Most performance benchmarks are being achieved. Despite the lack of s.17A reviews, there is evidence of significant cost savings on service delivery through internal review processes. The

recommendations of the reviews show the Council is not averse to outsourcing or to bringing services back in-house. For example, the aquatic centre’s servicing was brought back in-house in 2007 after being contracted out for several years.

Much of the Council’s performance measures use community satisfaction surveys, completion of tasks, or mandatory measures as their standards. The satisfaction survey is independent, statistically sound, and benchmarked against other New Zealand councils. However, the results show no discernible increase or decrease in satisfaction for most services over a 10-year period. This may be due to the existing high levels of satisfaction or because the public pays little heed to the survey as a way of holding the Council accountable for its activities.

There appears to be a difference of view between staff and councillors on the value of measuring performance. Staff acknowledge that the measures are transactional, do not assess things such as value for money, and lack community endorsement. The view of councillors is: “*don’t get too hung up on measurement. We do something if we think it’s important.*”

## Assessing capability and capacity

The Council has worked hard to develop and sustain an internal culture that attracts new staff. This is a core reason why it has managed to attract the capability it needs.

The Council is conservative in its resourcing, which was confirmed by the assessors’ discussions with management and staff. This approach seems to be a deliberate strategy to contain costs as well as to attract the right skills and talent. However, the Council’s work programme formally lists 50 work projects. The Council will need to consider either limiting the number of projects or increasing resources to ensure the projects are completed as planned.

## Establishing capital-investment goals

The business cases used for capital investments are adequate, and they provide an independent assessment of the options that councillors are asked to consider.

The Council has 50 or more projects underway at any time, some of which have been subject to little scrutiny and management. The recent appointment of a project manager seeks to bring order to this state of affairs, and there is now a “projects internal control report” which goes to the Chief Executive on a monthly basis. Although this is a constructive step, a more immediate priority would be to reduce the number of live projects that spread resources too thinly and act as a distraction from more immediate operational priorities.

## Strengths

The Council's infrastructure team has strong technical competence.

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There is a well-planned strategy for continuous improvement in infrastructure, transport and the three waters.

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The Council has established good links with its community, which has helped it prioritise and manage its community facilities and developments (eg the TSB Hub).

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The Council staff are customer-focused.

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## Areas for improvement

The Council needs to reduce the number of projects it has underway and to engage additional expertise, where appropriate, to develop business cases for future projects.

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The Council may benefit from a focus on regulatory performance measures that focus on outcomes rather than on transactional activities, particularly in dog control.

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The Council would benefit by having staff and council members more closely aligned in measuring council performance.

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The Council asset management strategy should be explicitly linked to the long-term purpose (vision) and strategy.

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# Listening and responding

## Communicating and engaging with the public and businesses

The Council's staff, along with the Mayor and councillors, have a strong commitment to good communication and engagement. They are strong on engaging stakeholders and communities of interest on specific issues and initiatives. The Council engages well with its community about its services and facilities. However, there are opportunities for increasing the alignment between the Council's activities and its vision for the district. There are also significant opportunities to improve online communication through the Council's website and other digital channels.

### Priority grading

Competent

< South Taranaki is a demographically and ethnically diverse community, and this requires a wide-ranging strategy for both the manner of the Council's engagement and the style and content of its messages. >

Affordability issues are a high priority to many in the community, and consequently the Council faces a particular communication challenge in reconciling the messages it wishes to send to its community with those the community is receptive to. The Council can successfully point to the many channels through which it endeavours to keep the community informed, but it cannot point to a high level of public engagement with the public on those messages.

### Planning effective engagement

The Council has a strong focus on community engagement, with the Mayor as well as some councillors and senior management taking an active role in that engagement. There is also direct engagement on specific strategies. For example, with business on the economic development strategy, and with Māori/Iwi and the community, on specific projects.

The Council has an integrated communications strategy that promotes its vision, strategy and values both internally and externally.

### Engaging with the community

Most of the Council's communication is clear and direct, and most of its key accountability documents are easy to understand. However, the reporting on what has been delivered, by whom, and how well would benefit from being linked to the Council's vision and its community outcomes. This would more clearly reflect how the Council's actions contribute to the community's well-being and the district's attractiveness.

### Engaging digitally

The main source of online communication and information is through the Council's website and its Facebook pages, although both could be improved and made more effective. A number of transactions (eg bill payment) can also be done online through the website.

The Council has recognised the need to improve its digital engagement, and work is underway to review and rebuild the website. However, it is unclear if residents will be able to interact more online as a result of these changes.

### How the community views the Council

The Council has measured community satisfaction primarily through an annual independently conducted survey. The 2016 survey indicates that satisfaction with various services is relatively static; although more areas have increased in satisfaction than decreased (there were three increases and two decreases).

### Communicating through the media

The Council's relationship with the media is largely positive.

The Mayor is active in his communications, both through direct engagement and through the media. The media have downsized coverage of South Taranaki, so the Council relies heavily on Southlink (a paid editorial placement and online media) to get its messages out.

## Building relationships with Māori/Iwi

The Council believes it has worked hard to build positive working relationships with Māori/Iwi and has actively sought input from Māori/Iwi in its decision-making processes. However, this view is not held by all Māori/Iwi.

The Māori/Iwi Liaison Committee is the main forum the Council uses for sharing information, for discussing and gaining perspectives on matters affecting Māori/Iwi, and for seeking recommendations on related issues that require a decision by the Council.

As part of its Long Term Plan, the Council agreed to consult with the Māori/Iwi Liaison Committee on implementing initiatives which aim to enhance Māori/Iwi capacity in the Council's decision-making. These initiatives include: prioritising strategic areas of concern for Māori/Iwi, and increasing Māori/Iwi participation in the district plan review process, the Hawera Town Centre strategy, the Open Spaces strategy, the economic development strategy and the Long Term Plan. It also includes continuing the Mosaics programme that seeks to strengthen the ability of staff to engage effectively with Iwi and Māori through exposure to tikanga and Te Reo Māori.

Māori/Iwi recognise that the relationship with the Council is continually evolving, but there are still questions raised about the genuineness of engagement and a concern there is a level of tokenism.

## Building relationships with the community

The Council has identified special interest groups (such as Māori/Iwi, the business community and the farming sector) and some of its communication and engagement is targeted specifically to these groups.

The Council has established forums to support engagement and information sharing on specific initiatives, such as economic development. Stakeholders noted that the Council has a positive and important role to play in taking the concepts and ideas from such forums and leading the action on them.

## Engaging with the community

Most of the Council's communication is jargon-free with a clear and direct tone. Generally, its key accountability documents, such as the Mayor and Chief Executive's introductions to the Annual Report, are easy to understand. However, there is an opportunity to link the strongly tactical focused reporting on what has been delivered, by whom, and how well to the overall Council's vision and its community outcomes. This would clarify how the Council's actions contribute to the community's wellbeing and the district's attractiveness.

### Strengths

Staff and councillors are active in engaging with all sectors of the community in a genuine manner.

The partnership with Māori/Iwi is getting stronger and there is a commitment to creating real opportunities for better decision-making and planning in a diverse community.

The Council is committed to engaging with the community and stakeholders, even when its messages are unpalatable.

### Areas for improvement

The Council should continue to work on developing a genuine partnership with Māori/Iwi.

Online communication could be improved through a website redesign. The redesign should make it easier for residents to interact with the Council online for rates payments, registrations, etc.

The Council should link their Annual Report to its vision and community outcomes.

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