



# **AGENDA**

## **Executive, Audit & Risk**

Monday 15 February 2021, 10am

## Executive, Audit & Risk Committee

15 February 2021 10:00 AM

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### **Purpose of Executive, Audit and Risk Committee**

This committee handles all of the administrative and financial matters relating to Council's operations and works programme. Because these matters relate to all aspects of the Council, the membership is aimed to reflect the different aspects of Council's committee structure.

### **Responsibilities**

- Financial and expenditure
- Capital expenditure
- Work proposals and expenditure
- Corporate services and personnel matters
- Port Taranaki Ltd matters
- General Contractual and other matters.

### **Membership of Executive, Audit and Risk Committee**

- |                                     |   |
|-------------------------------------|---|
| Councillor N W Walker (Chairperson) | Councillor M J Cloke                          |
| Councillor M P Joyce (ex officio)   | Councillor D L Lean                           |
| Councillor C L Littlewood           | Councillor M J McDonald                       |
| Councillor D N MacLeod (ex officio) | Mr B Robertson (Independent - Yarrow Stadium) |

### **Health and Safety Message**

#### **Emergency Procedure**

In the event of an emergency, please exit through the emergency door in the committee room by the kitchen.

If you require assistance to exit please see a staff member.

Once you reach the bottom of the stairs make your way to the assembly point at the birdcage. Staff will guide you to an alternative route if necessary.

#### **Earthquake**

If there is an earthquake - drop, cover and hold where possible.

Please remain where you are until further instruction is given.



**Date** 15 February 2021

**Subject:** **Confirmation of Minutes - 7 December 2020**

**Approved by:** M J Nield, Director - Corporate Services  
S J Ruru, Chief Executive

**Document:** 2674719

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**Recommendations**

That the Executive, Audit and Risk Committee of the Taranaki Regional Council:

- a) takes as read and confirms the minutes and resolutions of the Executive, Audit and Risk Committee held in the Taranaki Regional Council Chambers, 47 Cloten road, Stratford on Monday 7 December 2020 at 10am
- b) notes the recommendations therein were adopted by the Taranaki Regional Council on Tuesday 15 December 2020.

**Matters Arising**

**Appendices/Attachments**

Document 2658894: Minutes Executive, Audit and Risk Committee - 7 December 2020





**Date** 7 December 2020, 10am  
**Venue:** Taranaki Regional Council chambers, 47 Cloten Road, Stratford  
**Document:** 2658894

**Members** Councillors N W Walker Committee Chairperson  
 M J Cloke  
 D L Lean  
 C L Littlewood (zoom)  
 M J McDonald

**Attending** Messrs M J Nield Director - Corporate Services  
 D Harrison Director - Operations  
 C Clarke Transport Manager  
 P Ledingham Communications Adviser  
 Ms R Johnson Financial Services Manager  
 Miss L Davidson Committee Administrator

**Apologies** An apology was received from Councillors D N MacLeod and M P Joyce and an apology for lateness from Mr B Roberston who will be joining for the Yarrow Stadium item.  
 McDonald/Cloke

**Notification of Late Items** There were no late items.

**1. Confirmation of Minutes - 19 October 2020**

**Resolves**

That the Executive, Audit and Risk Committee of the Taranaki Regional Council:

- a) takes as read and confirms the minutes of the Executive, Audit and Risk Committee of the Taranaki Regional Council held in the Taranaki Regional Council chambers, 47 Cloten Road, Stratford on Monday 19 October 2020 at 10am
- b) notes the recommendations therein were adopted by the Taranaki Regional Council on Tuesday 3 November 2020.

Lean/McDonald

**Matters arising**

There were no matters arising.

**2. Financial and Operational Report**

- 2.1 Mr M J Nield, Director – Corporate Services, spoke to the memorandum to update members on the financial and operational performance and answered questions arising.

**Recommended**

That the Taranaki Regional Council:

- a) receives the memorandum Financial and Operational Report and the September and October 2020 financial reports
- b) notes the Regional Integrated Ticketing System Update
- c) notes the digital media update
- d) notes the health and safety report for October 2020
- e) approves the three common seals:
  - 2020/08 - Navigation Safety Bylaws for Port Taranaki and its Approaches
  - 2020/09 – River Control & Flood Protection Bylaws for Taranaki
  - 2020/10 - Deputy Harbour Master Warrant under the Local Government Act 2002 and the Maritime Transport Act 1994 - Mark Travis Charters.

Cloke/McDonald

**3. Quarterly Operational Report – September 2020**

- 3.1 Mr M J Nield, Director – Corporate Services, spoke to the memorandum receiving and considering the Quarterly Operational Report (QOR) for the quarter ended 30 September 2020 and answered questions arising.

**Recommended**

That the Taranaki Regional Council:

- a) receives and adopts the Quarterly Operational Report for the quarter ended 30 September 2020.

Walker/Lean

**4. Public Transport Operational Update for the Quarter Ending 30 September 2020**

- 5.1 Mr C Clarke, Transport Manager, spoke to the memorandum providing members with an operational report on public transport services for the quarter ending 30 September 2020.
- 5.3 It was noted that Mr C Clarke has resigned from his position as Transport Manager after 13 years. His contribution to the growth and success of public transport was recognised.

**Recommended**

That the Taranaki Regional Council:

- a) receives and notes the operational report of the public transport services for the quarter ending 30 September 2020
- b) thanks Mr C Clarke for his services to Public Transport over the last 13 years.

Cloke/Lean

**5. Local Government Funding Agency - 30 June 2020 Compliance Certificate**

- 5.1 Mr M J Nield, Director – Corporate Services, spoke to the memorandum receiving and considering the 30 June 2020 Compliance Certificate to the Local Government Funding Agency (LGFA) and answered questions arising.

**Recommended**

That the Taranaki Regional Council:

- a) receives the Compliance Certificate to the LGFA as at 30 June 2020
- b) notes the content of the Compliance Certificate.

Lean/Cloke

**6. Trustees Executors Limited - Debenture Trust Deed Reporting**

- 6.1 Mr M J Nield, Director – Corporate Services, spoke to the memorandum receiving and considering the Reporting Certificate and the Limited Independent Assurance Report in respect of the Trustees Executors Limited Debenture Trust Deed for the year ended 30 June 2020 and answered questions arising.

**Recommended**

That the Taranaki Regional Council:

- a) receives the Reporting Certificate and the Limited Independent Assurance Report in respect of the Trustees Executors Limited Debenture Trust Deed for the year ended 30 June 2020
- b) notes the content of the Reporting Certificate and Limited Independent Assurance Report.

Walker/Lean

**7. Public Excluded**

In accordance with section 48(1) of the *Local Government Information and Meetings Act 1987*, resolves that the public is excluded from the following part of the proceedings of the Executive, Audit and Risk Committee Meeting on Monday 7 December 2020 for the following reasons:

**Item 8 – Public Excluded Minutes – 19 October 2020**

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the

withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

**Item 9 – 2019/2020 Annual Report and Audit: Report to the Executive, Audit and Risk Committee**

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

**Item 10 – Yarrow Stadium Update**

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

Cloke/McDonald

There being no further business, the Committee Chairperson, Councillor N W Walker, declared the open meeting of the Executive, Audit and Risk Committee closed at 10.35am.

**Confirmed**

**Executive, Audit &  
Risk Chairperson:** \_\_\_\_\_

**N W Walker**

**15 February 2021**



**Date** 15 February 2021

**Subject:** **Financial and Operational Report**

**Approved by:** M J Nield, Director - Corporate Services  
S J Ruru, Chief Executive

**Document:** 2687061

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### **Purpose**

1. The purpose of this memorandum is to receive information on operational and financial performance.

### **Recommendations**

That the Taranaki Regional Council:

- a) receives the memorandum *Financial and Operational Report* and the November and December 2020 Financial Reports
- b) notes the digital media update
- c) notes the health and safety report for November and December 2020

### **Background**

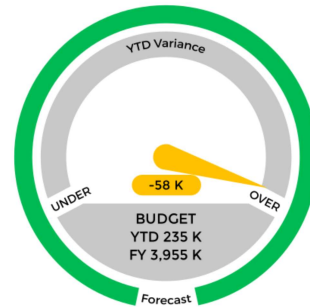
2. The Council produces a Monthly Financial Report outlining the financial performance for the month and year to date. This memorandum supports the Monthly Financial Report by providing additional supporting operational and financial information. The Common Seal is operated under delegated authority. Part of that delegated authority is the reporting back of the seal transactions.

### **Discussion**

3. Attached are the Monthly Financial Reports for November and December 2020.
4. In the "Financial Indicators Section", for revenue, expenditure and operating surplus/deficit, for the whole of the Council the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than \$50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. A red variance indicates that the variance is more than plus or minus 10% and more than \$100,000. The arrow indicates

the trend over time. A green up arrow indicates an improving trend and a red down arrow indicates a deteriorating trend.

5. The financial performance pie graphs for operating expenditure and income show the actual performance against budget and the forecast performance against budget, accumulated for all activities. The green slice indicates the number of activities where the variance is within plus or minus 5% and less than \$50,000. The yellow slice indicates the number of activities where the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. The red slice indicates the number of activities where the variance is more than plus or minus 10% and more than \$100,000.
6. For each Group of Activities (Resource management, Biosecurity and biodiversity, Transport, Hazard management, Recreation culture and heritage, and Regional representation, advocacy and investment management, in the "Financial Indicators Section", for revenue and expenditure, for that group of activities, the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than \$50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. A red variance indicates that the variance is more than plus or minus 10% and more than \$100,000. The arrow indicates the trend over time. A green up arrow indicates an improving trend and a red down arrow indicates a deteriorating trend.
7. In the "Operating Expenditure by Activity" section, there is a dial for each activity comparing YTD expenditure against budget and a forecast for the rest of the year. The colours are green - variance of less than plus or minus 5%, yellow - plus or minus variance of more than 5% but less than 10% and red - plus or minus variance of more than 10%. The key components of each dial are:



- The outer ring is the forecast for the rest of the year - green OK, yellow performance at risk, red target will not be achieved
- The pointer indicates whether the variance is over or under budget and the colour indicates the scale of the variance - the actual variance figure sits at the bottom of the pointer
- The YTD and full year (FY) budgets are included in the grey section.

8. Financially, the Council is in-line with the estimates established for 2020/2021 in the *2020/2021 Annual Plan*.
9. At 31 December 2020, the overall financial result is ahead of budget. This is mainly due to Port Taranaki Ltd dividends and Waitara Lands reserve distributions being received earlier than budgeted.
10. Corporate services expenditure is running over budget due to increases in legal, information technology and recruitment expenditure. Additionally, there is a significant investment in investigations for the accommodation review. These expenses are impacting all activities as overheads. These expenditure trends will continue through the financial year as we continue to address the significant changes, such as the essential freshwater reforms, facing the Council.

11. Significant income and expenditure variances by activity (plus or minus \$100,000) are:
- *Resource management planning* - \$120,310 under budget due to staff vacancies and expenditure forecasted to occur later in the year.
  - *Compliance monitoring programmes* - \$268,797 over budget due to staff focus on monitoring and reporting.
  - *State of the environment monitoring* - \$173,492 over budget due to staff focus and increased costs associated with NPS Freshwater.
  - *Sustainable land management plans and plant supply programme* - \$141,833 over budget partly due to higher consent condition expenditure. This additional expenditure is offset by higher consent condition revenues.
  - *Enhancement grants* - \$397,187 over budget due to the timing of Fresh Water Improvement, Public Waterways and Eco-system Restoration funds and STRESS expenditure. This additional expenditure is offset by government grant revenue being \$298,921 over budget.
  - *Resource management direct charges revenue* - \$2,136,819 over budget mainly due to Waitara Lands reserve distributions being received earlier than budgeted.
  - *Biosecurity/pest management* - \$320,055 and *Biodiversity* - \$103,412 over budget due to the early timing of Towards Predator Free Taranaki expenditure. Both of these variances are forecasted to be on budget by year-end.
  - *Biosecurity and biodiversity direct charges revenue* - \$376,714 under budget mainly due to Predator Free 2050 funding being recognised on an accrual basis (as earned) rather than cash received.
  - *Passenger transport* - \$314,529 under budget due to bus contract costs currently running lower than expected and lower depreciation due to the delay in the implementation of the regional integrated ticketing project.
  - *Transport direct charges revenue* - \$183,016 under budget due to bus fare revenue being down. This has been affected by the ongoing impacts of Covid-19.
  - *Transport government grants revenue* - \$274,613 over budget due to Covid-19 lost passenger revenue and the delayed regional integrated ticketing project being funded by NZTA.
  - *Regional Gardens* - \$579,241 under budget due to a delay in the Kaitake Trail project funding.

### **Operational Report**

12. Operationally, programmes are materially on target with the planned levels of activity established for 2020/2021 in the *2020/2021 Annual Plan*. The Quarterly Operational report for December 2020 is part of the Agenda for this meeting.

### **Communications and Education**

13. Communications activities are delivered across a range of channels including publications, media releases, advertising and digital media. Some recent highlights are:
- A media release about the release of the Honshu white admiral butterfly and its important role as a biocontrol agent attracted regional and national media attention.

- In December and January, the TRC's Environmental Educator led 12 classes and undertook 47 field trips involving 1,373 students from local primary, intermediate and high schools.
- A media open day was held at Yarrow Stadium which was attended by mainstream media agencies including Daily News and Radio New Zealand and several local online media journalists. The event was successful in terms of generating positive media attention for the Stadium re-build and maintaining relationships with local media. Further open days are planned.
- A media release was issued proactively about the necessary felling of Pukeiti's iconic giant rata. This allowed the TRC to set the public narrative on the issue (rather than responding to the media's narrative), and the sentiment on social media was largely supportive of TRC's position, and resulting media coverage included our key messages.

### Social Media by the Numbers

14. The total reach (non-unique users) across all six Facebook pages was 120,637 people. The total user engagement (where users liked, shared, clicked or commented) on our posts was 7,313. Our Facebook page followers have increased, with 671 more followers across our six pages from 26 November to 30 Jan 2021.

Facebook page	Page followers	Reach	Engagement
TaranakiRegionalCouncil	5,107 (+195)	37,969	2,079
TaranakiPublicTransport	1,127 (+46)	18,884	611
Tūpare	1,758 (+125)	4,558	202
Pukeiti	2,479 (+121)	11,463	634
Hollard Gardens	1,956 (+71)	4,004	250
Towards Predator-Free Taranaki	1,862 (+113)	43,759	3,537

Top Facebook posts		Reach	Engaged
1	Have you seen this possum? Our cameras spotted it on the edge of Oākura recently.  In the village and surrounding farmland we are down to the last remaining possums, so we need your eyes and ears to help track them down.  (Taranaki Predator Free)	13,854	5,314
2	A new predator control project by Taranaki Base Hospital staff aims to restore the area's native bush and birdlife.	9,827	1,561



Top Facebook posts		Reach	Engaged
2	<p>Have you seen this butterfly? Our team released about 200 in Oākura and Kakaramea just before Christmas - for a very good reason. Read more on the Honshu white admiral and its important role as a biocontrol agent (Taranaki Regional Council)</p>	7,288	87
3	<p>DELAYS FOR CONNECTOR FROM 11 JAN NZTA have advised they will be undertaking significant works to address drainage issues on SH3 at the Tariki Underpass near the Rugby Road intersection from Monday 11 January. (Taranaki Public Transport)</p>	6,802	454
4	<p>Stuck for a Christmas gift for the person who has everything? 🎁 Looking for a unique Secret Santa gift? We have just the thing! For just \$10 you can help bring back the birds and restore Taranaki's unique biodiversity. Our backyard rat trap bags include an easy to use trap, a child and pet safe trap box, a sticker plus more... (Taranaki Predator Free)</p>	6,614	722
5	<p>Pukeiti's iconic giant rata was felled this morning because it was in danger of falling over and presented a risk to public safety. (Taranaki Regional Council)</p>	6,363	1,708
6	<p>New Plymouth businesses are doing their bit to bring birds back to the CBD - and it just might be working. Liquorland store manager Dave Newman began setting traps around the Powderham St store after chips and chocolate bars started disappearing from the storeroom. Camera footage revealed the culprits. (Taranaki Predator Free)</p>	5,329	749
7	<p>We reckon our two species of native bats, or pekapeka, are pretty cool! The threatened long-tailed bat and the short-tailed bat are both found in Taranaki's Eastern Hill Country. They haven't been confirmed in Te Papakura o Taranaki (the national park), the ring plain or in urban areas yet but we and others are definitely looking! (Taranaki Predator Free)</p>	3,164	442
8	STRATFORD TOTAL MOBILITY SERVICES	2,984	326

Top Facebook posts		Reach	Engaged
	Stratford Taxis are unable to continue providing passenger transport services in the Stratford District, including the Total Mobility service.  The Stratford District will be without a Total Mobility provider until a time where a new transport operator is approved.  (Taranaki Public Transport)		
9	Looking for a fresh start in the New Year? † Seeking flexible working arrangements, great team culture and a fulfilling role working towards ensuring a vibrant and high-quality environment for Taranaki? Look no further!  We have several vacant positions we are looking to fill!  (Taranaki Regional Council)	1,796	98
10	What a truly magical day connecting with nature at the Pukeiti Feel Good Festival.  Huge thank you to the talented team that made it happen.  (Pukeiti)	1,108	83

### Health and Safety

15. The Health and Safety Reports for November and December 2020 are attached.

### Financial considerations—LTP/Annual Plan

16. This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

### Policy considerations

17. This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the *Local Government Act 2002*, the *Resource Management Act 1991* and the *Local Government Official Information and Meetings Act 1987*.

### Iwi considerations

18. This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the *Local Government Act 2002*) as outlined in the adopted long-term plan and/or annual plan.

**Community considerations**

19. This memorandum and the associated recommendations have considered the views of the community, interested and affected parties and those views have been recognised in the preparation of this memorandum.

**Legal considerations**

20. This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

**Appendices/Attachments**

Document 2699141: Health and Safety Report November 2020

Document 2699472: Health and Safety Report December 2020

Document 2704027: November 2020 Financial Report

Document 2704070: December 2020 Financial Report



**Health and Safety Dashboard**  
 Reporting Period:  
 1 November – 30 November 2020

**Incidents (1 July 2020 – 30 June 2021)**

<b>Illness 0 (0)</b>	<b>Incidents 1 (6)</b>	<b>Injury 2 (10)</b>
<b>ACC Claims 0 (4)</b>	<b>Near Miss 7 (34)</b>	<b>Notifiable 0 (0)</b>

**Types of Incidents and Injuries**

Slips/Trips/Falls (no injury)	-	No Treatment	-
Sprains/Strains	1	First Aid	2
Cuts/Abrasions	1	Medical Centre	-
Bruising	-	Physiotherapy/Osteopath	-
Near Miss	7	Hospital	-
Vehicle Damage	-		
Insect Stings	-	Formal Investigation	-
Other	1	WorkSafe Investigation	-

**Health and Wellbeing**

<b>Workstation Assessments 6</b>	<b>Health Monitoring Assessments 37</b> <b>Pre-employment assessments 2</b>
<b>Wellness Initiatives</b> <b>'it's the simple things that get us through'</b>	<b>2 non-work related return to work plans</b> <b>currently in place</b>

Health and Safety Objectives Update

**Skin Checks – 1 person with melanoma detected**

**Hazard reviews completed:  
19**

**Health and Safety Workers Committee Meeting  
(Healthy wellbeing programme)**

**Pandemic Plan reviewed and updated**

**2020/2021 Wellness Plan developed**

**Predator Free 2050 Contractors all pre-approved**

**Health and Safety training days:  
Coastal Water beach safety  
4WD training**

**2020/2021 Health and Safety plan adopted**



**Health and Safety Dashboard**  
 Reporting Period:  
 1 December – 31 December 2020

**Incidents (1 July 2020 – 30 June 2021)**

<b>Illness 0 (0)</b>	<b>Incidents 1 (7)</b>	<b>Injury 1 (11)</b>
<b>ACC Claims 0 (4)</b>	<b>Near Miss 4 (38)</b>	<b>Notifiable 0 (0)</b>

**Types of Incidents and Injuries**

Slips/Trips/Falls (no injury)	-	No Treatment	-
Sprains/Strains	-	First Aid	2
Cuts/Abrasions	1	Medical Centre	-
Bruising	-	Physiotherapy/Osteopath	-
Near Miss	4	Hospital	-
Vehicle Damage	-		
Insect Stings	-	Formal Investigation	-
Other	1	WorkSafe Investigation	-

**Health and Wellbeing**

<b>Workstation Assessments 2</b>	<b>Health Monitoring Assessments 18</b> <b>Pre-employment assessments 3</b>
<b>Wellness Initiatives</b> <b>'it's the simple things that get us through'</b>	<b>2 non-work related return to work plans</b> <b>currently in place</b>

Health and Safety Objectives Update

**Health and Safety Committee meeting**  
**Healthy wellbeing programme approved**

**Hazard reviews completed:**  
**10**

**TRC wellbeing plan based on Māori**  
**health model:**  
**Te Whare Tapa Whā**

**Security Review**

**Health and Safety training days:**  
**Growsafe Training**  
**Mobility Vehicle Driver Training**

**2020/2021 Health and Safety plan**  
**adopted**



NOVEMBER 2020

# MONTHLY FINANCIAL REPORT

TARANAKI REGIONAL COUNCIL





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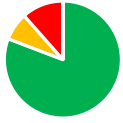


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## Executive summary

### Financial performance

FINANCIAL INDICATORS					
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%					
Total revenue		Operating expenditure		Operating surplus/deficit	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council’s activities:		Council’s total revenue less operating expenditure:	
Actual YTD:	Trend:	Actual YTD:	Trend:	Actual YTD:	Trend:
\$18.7M	\$1907.2K over budget ↑	\$16.1M	\$153.1K over budget ↑	\$2.6M	\$1754.1K ahead of budget ↑
Against a YTD budget of \$16.8M and a full year budget of \$47.9M.		Against a YTD budget of \$16.0M and a full year budget of \$49.2M.		Against a YTD budget of \$0.8M and a full year budget of \$-1.3M.	

FINANCIAL PERFORMANCE			
Operating Expenditure		Income	
Actual	Forecast	Actual	Forecast
Financial Performance 	Future Performance 	Financial Performance 	Future Performance 

### Commentary and variances

The overall financial result is tracking ahead of budget. This is mainly due to Port Taranaki Ltd dividends being received earlier than budgeted.

Corporate services expenditure is running over budget due to increases in legal, information technology and recruitment expenditure. Additionally, there is a significant investment in investigations for the accommodation review. These expenses are impacting all activities as overheads. These expenditure trends will continue through the financial year as we continue to address the significant changes, such as the essential freshwater reforms, facing the Council.

## Key

This section defines the symbols and colours used in the Executive Summary and the Groups of Activities.

### Introduction

In the “Financial Indicators Section”, for revenue, expenditure and operating surplus/deficit, for the whole of the Council the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than \$50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. A red variance indicates that the variance is more than plus or minus 10% and more than \$100,000. The arrow indicates the trend over time. A green up arrow indicates and improving trend and a red down arrow indicates a deteriorating trend.

The financial performance pie graphs for operating expenditure and income show the actual performance against budget and the forecast performance against budget, accumulated for all activities. The green slice indicates the number of activities where the variance is within plus or minus 5% and less than \$50,000. The yellow slice indicates the number of activities where the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. The red slice indicates the number of activities where the variance is more than plus or minus 10% and more than \$100,000.

The operational performance pie graphs for levels of service and individual activities show the actual performance against budget and the forecast performance against budget, accumulated for all activities. The green slice indicates the number of levels of service/activities where the actual performance is on target. The yellow slice indicates the number of levels of service/activities where the actual performance is at risk of not being achieved. The red slice indicates the number of levels of service/activities where the actual performance is not meeting the target.

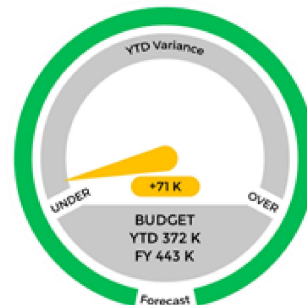
### For each Group of Activities:

In the “Financial Indicators Section”, for revenue and expenditure, for that group of activities, the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than \$50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. A red variance indicates that the variance is more than plus or minus 10% and more than \$100,000. The arrow indicates the trend over time. A green up arrow indicates and improving trend and a red down arrow indicates a deteriorating trend.

In the “Operating Expenditure by Activity” section, there is a dial for each activity comparing YTD expenditure against budget and a forecast for the rest of the year. The colours are green – variance of less than plus or minus 5% and less than \$50,000, yellow – plus or minus variance of more than 5% and between \$50,000 and \$100,000 but less than 10% and red – plus or minus variance of more than 10% and \$100,000.

The key components of each dial are:

- The outer ring is the forecast for the rest of the year – green OK, yellow performance at risk, red target will not be achieved
- The pointer indicates whether the variance is over or under budget and the colour indicates the scale of the variance – the actual variance figure sits at the bottom of the pointer
- The YTD and Full Year (FY) budgets are included in the grey section.



The operational performance pie graphs for levels of service and individual activities show the actual performance against budget and the forecast performance against budget, accumulated for all activities within that group of activities. The green slice indicates the number of levels of service/activities where the actual performance is on target. The yellow slice indicates the number of levels of service/activities where the actual performance is at risk of not being achieved. The red slice indicates the number of levels of service/activities where the actual performance is not meeting the target.

## Statement of comprehensive revenue and expense

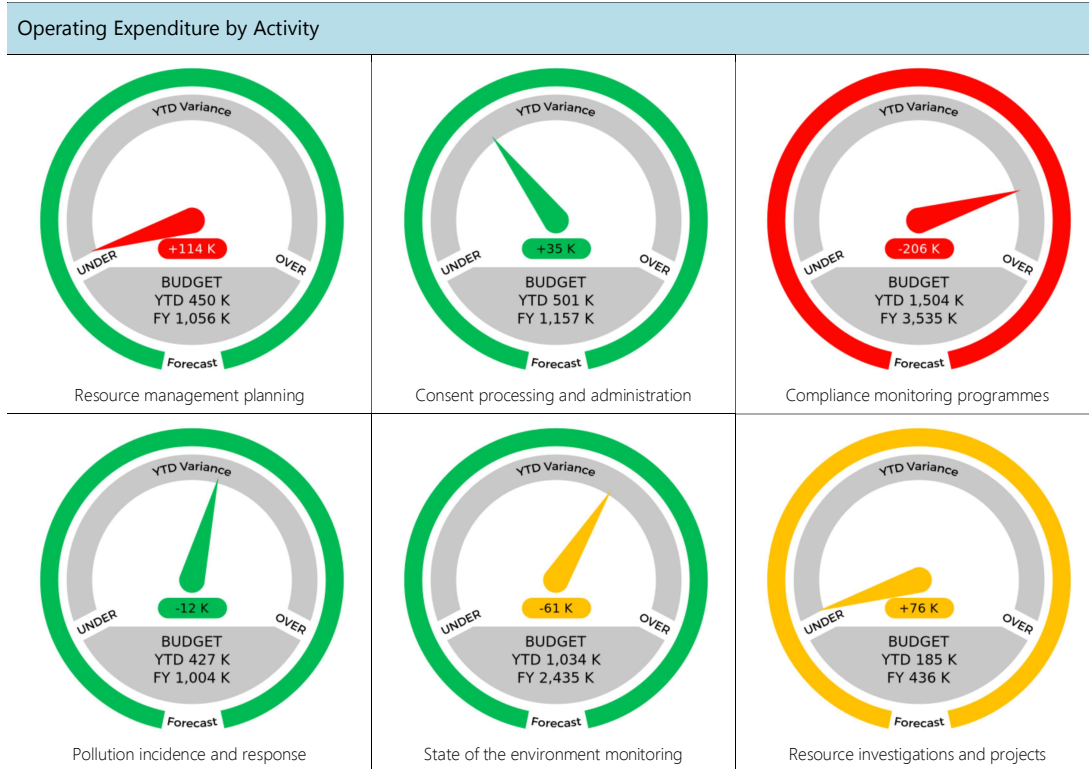
This statement summarises performance against budget for the month and for the year to date.

	Month			Year to date			2020/2021
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
<b>Cost of services</b>							
Resource management	1,527,466	1,399,557	-127,909	6,881,142	6,276,368	-604,774	24,532,923
Biosecurity and biodiversity	703,134	820,129	116,995	2,970,211	2,511,062	-459,149	7,360,373
Transport	406,128	420,818	14,690	1,807,952	2,070,925	262,973	4,992,065
Hazard management	59,154	86,081	26,927	357,231	414,392	57,161	998,686
Recreation culture and heritage	1,316,498	1,404,936	88,439	3,378,177	3,929,483	551,306	8,554,161
Regional representation advocacy and investment management	192,928	183,495	-9,433	723,916	748,505	24,589	1,760,516
<b>Total operating expenditure</b>	<b>4,205,308</b>	<b>4,315,016</b>	<b>109,708</b>	<b>16,118,629</b>	<b>15,950,735</b>	<b>-167,894</b>	<b>48,198,724</b>
<b>Revenue from exchange transactions</b>							
Direct charges revenue	384,686	298,463	86,223	1,461,536	1,454,815	6,721	4,376,777
Rent revenue	127,149	95,833	31,316	535,635	479,165	56,470	1,150,000
Dividends	2,500,000	0	2,500,000	6,000,000	4,000,000	2,000,000	8,000,000
<b>Revenue from non-exchange transactions</b>							
General rates revenue	1,988,598	1,988,598	0	3,977,196	3,977,196	0	7,954,392
Targeted rates revenue	1,492,806	1,492,793	13	2,985,613	2,985,586	27	5,971,173
Direct charges revenue	1,072,691	1,431,295	-358,604	1,637,335	2,241,071	-603,736	15,026,419
Government grants	582,230	538,494	43,736	1,986,740	1,532,150	454,590	4,094,968
Vested assets	0	0	0	0	0	0	0
<b>Total income</b>	<b>8,148,160</b>	<b>5,845,476</b>	<b>2,302,684</b>	<b>18,584,054</b>	<b>16,669,983</b>	<b>1,914,071</b>	<b>46,573,729</b>
<b>Operating surplus/(deficit) before finance income/expenses &amp; taxation</b>	<b>3,942,852</b>	<b>1,530,460</b>	<b>2,412,392</b>	<b>2,465,425</b>	<b>719,248</b>	<b>1,746,177</b>	<b>-1,624,995</b>
Finance income	24,385	25,000	-615	143,161	150,000	-6,839	1,341,772
Finance expense	0	0	0	-10,202	-25,000	14,798	-1,041,772
Net finance expense	24,385	25,000	-615	132,959	125,000	7,959	300,000
<b>Operating surplus before taxation</b>	<b>3,967,238</b>	<b>1,555,460</b>	<b>2,411,778</b>	<b>2,598,384</b>	<b>844,248</b>	<b>1,754,136</b>	<b>-1,324,995</b>
<b>Other gains/losses</b>							
Gains/(losses) on revaluation of properties	0	0	0	0	0	0	0
<b>Operating surplus before taxation</b>	<b>3,967,238</b>	<b>1,555,460</b>	<b>2,411,778</b>	<b>2,598,384</b>	<b>844,248</b>	<b>1,754,136</b>	<b>-1,324,995</b>
Income tax expense	0	0	0	0	0	0	10,000
<b>Surplus/(deficit) for the period</b>	<b>3,967,238</b>	<b>1,555,460</b>	<b>2,411,778</b>	<b>2,598,384</b>	<b>844,248</b>	<b>1,754,136</b>	<b>-1,334,995</b>
<b>Other comprehensive income</b>							
Revaluation of property, plant and equipment	0	0	0	0	0	0	0
<b>Other comprehensive income, net of tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating surplus/(deficit)</b>	<b>3,967,238</b>	<b>1,555,460</b>	<b>2,411,778</b>	<b>2,598,384</b>	<b>844,248</b>	<b>1,754,136</b>	<b>-1,334,995</b>

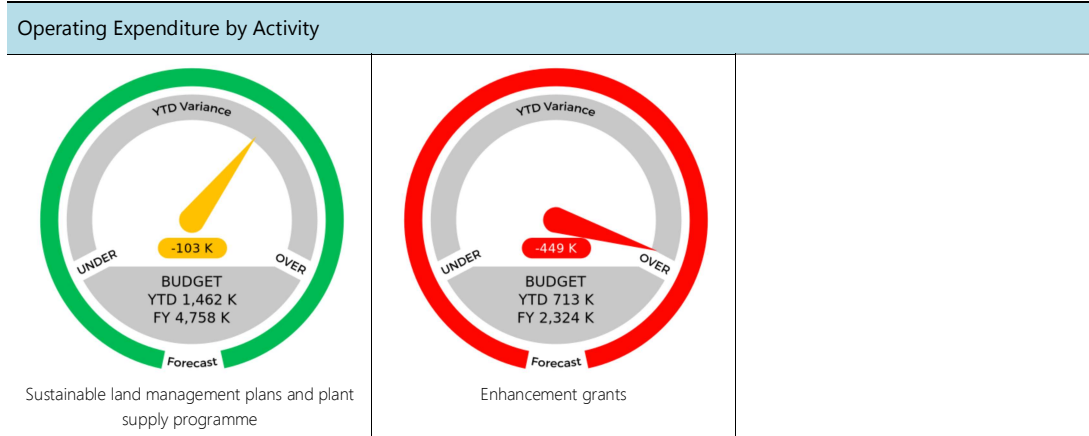
## Resource management

### Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$2.8M	\$307.8K over budget ↑	\$6.9M	\$604.8K over budget ↓
Against a YTD budget of 2.5M and a full year budget of 17.3M.		Against a YTD budget of 6.3M and a full year budget of 24.5M.	



RESOURCE MANAGEMENT



Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

Commentary and variances

Overall resource management expenditure is over budget. Material activity variances (> or < than \$100,000) are:

Resource management planning - \$114,159 under budget due to staff vacancies and expenditure forecasted to occur later in the year.

Compliance monitoring programmes - \$206,211 over budget due to staff focus on monitoring and reporting.

Sustainable land management plans and plant supply programme - \$102,523 over budget partly due to higher consent condition expenditure. This additional expenditure is offset by higher consent condition revenues.

Enhancement grants - \$448,630 over budget due to the timing of Fresh Water Improvement, Public Waterways and Eco-system Restoration funds and STRESS expenditure. This additional expenditure is offset by government grant revenue being \$327,254 over budget.



## RESOURCE MANAGEMENT

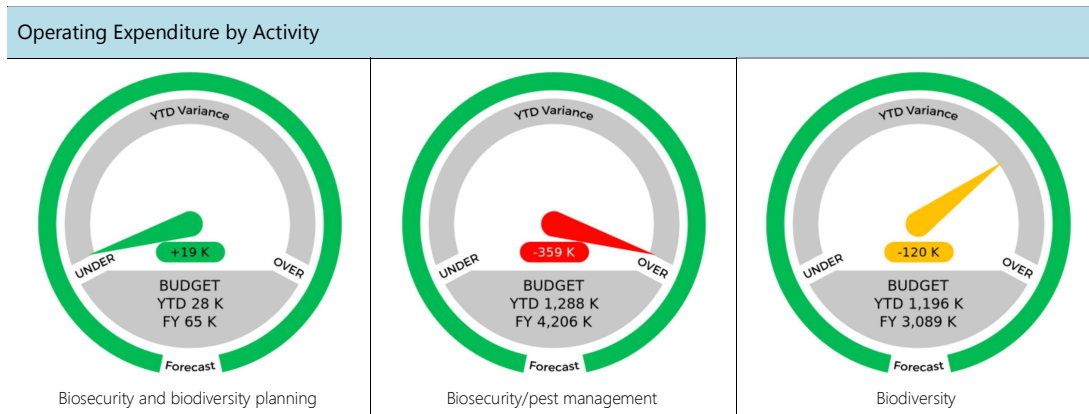
## Cost of services statement

RESOURCE MANAGEMENT							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
<b>Expenditure</b>							
Resource management planning	101,147	109,671	8,524	335,463	449,622	114,159	1,055,744
Consent processing and administration	127,840	118,515	-9,325	466,305	501,279	34,974	1,157,001
Compliance monitoring programmes	382,690	363,879	-18,811	1,709,979	1,503,768	-206,211	3,535,190
Pollution incidents and response	105,176	103,277	-1,899	438,544	427,023	-11,521	1,004,005
State of the environment monitoring	290,933	247,862	-43,071	1,095,442	1,034,452	-60,990	2,434,537
Resource investigations and projects	32,444	43,369	10,925	108,734	184,753	76,019	435,802
Sustainable land management plans and plant supply programme	297,779	270,368	-27,411	1,564,675	1,462,152	-102,523	4,757,793
Waitara River catchment	0	0	0	50	0	-50	7,828,882
Enhancement grants	189,456	142,616	-46,840	1,161,949	713,319	-448,630	2,323,969
<b>Total expenditure</b>	<b>1,527,466</b>	<b>1,399,557</b>	<b>-127,909</b>	<b>6,881,142</b>	<b>6,276,368</b>	<b>-604,774</b>	<b>24,532,923</b>
<b>Income</b>							
General rates	288,101	288,101	0	1,589,595	1,589,595	0	3,061,369
Direct charges	460,280	335,504	124,776	1,739,574	1,759,020	-19,446	15,258,159
Government grants	349,285	373,413	-24,128	1,033,999	706,745	327,254	2,036,000
Transfer from reserves	0	0	0	0	0	0	0
Transfer to reserves	-10,655	0	-10,655	-68,333	0	-68,333	-100,000
Investment funds	440,456	402,539	37,917	2,586,307	2,221,008	365,299	4,277,395
<b>Total income</b>	<b>1,527,467</b>	<b>1,399,557</b>	<b>127,909</b>	<b>6,881,142</b>	<b>6,276,368</b>	<b>604,774</b>	<b>24,532,923</b>
<b>Operating surplus/(deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Biosecurity and biodiversity

### Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$1.0M	\$373.8K under budget ↓	\$3.0M	\$459.1K over budget ↑
Against a YTD budget of 1.3M and a full year budget of 2.7M.		Against a YTD budget of 2.5M and a full year budget of 7.4M.	



Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

### Commentary and variances

Overall biosecurity and biodiversity expenditure is over budget. Material activity variances (> or < than \$100,000) are:

Biosecurity/pest management - \$359,022 and Biodiversity - \$119,506 over budget due to the early timing of Towards Predator Free Taranaki expenditure. Both of these variances are forecasted to be on budget by year end.

Direct charges revenue is \$373,767 under budget mainly due to Predator Free 2050 funding being recognised on an accrual basis (as earned) rather than cash received.

## BIOSECURITY AND BIODIVERSITY

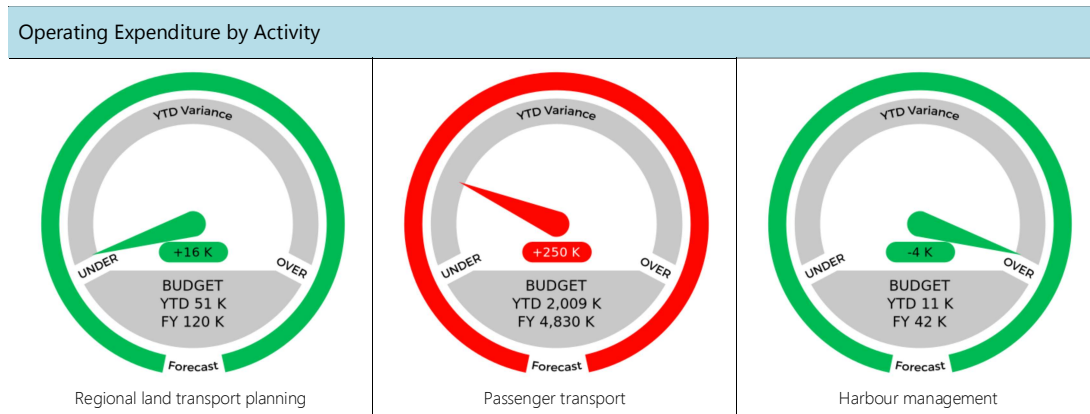
## Cost of services statement

BIOSECURITY AND BIODIVERSITY							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
<b>Expenditure</b>							
Biosecurity and biodiversity planning	2,071	6,784	4,713	8,384	27,763	19,379	65,272
Biosecurity/pest management	406,335	495,168	88,833	1,646,709	1,287,687	-359,022	4,206,046
Biodiversity	294,728	318,177	23,449	1,315,118	1,195,612	-119,506	3,089,055
<b>Total expenditure</b>	<b>703,134</b>	<b>820,129</b>	<b>116,995</b>	<b>2,970,211</b>	<b>2,511,062</b>	<b>-459,149</b>	<b>7,360,373</b>
<b>Income</b>							
General rates	-189,289	-189,289	0	490,563	490,563	0	1,985,485
Direct charges	890,988	1,273,896	-382,908	961,309	1,335,076	-373,767	2,700,737
Transfer from reserves	0	0	0	0	0	0	0
Transfer to reserves	0	0	0	0	0	0	-100,000
Investment funds	1,435	-264,478	265,913	1,518,339	685,423	832,916	2,774,151
<b>Total income</b>	<b>703,134</b>	<b>820,129</b>	<b>-116,995</b>	<b>2,970,211</b>	<b>2,511,062</b>	<b>459,149</b>	<b>7,360,373</b>
<b>Operating surplus/(deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Transport

### Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$1.3M	\$2.0K under budget ↑	\$1.8M	\$263.0K under budget ↑
Against a YTD budget of 1.3M and a full year budget of 3.2M.		Against a YTD budget of 2.1M and a full year budget of 5.0M.	



Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

### Commentary and variances

Overall transport expenditure is under budget. Material activity variances (> or < than \$100,000) are:

Passenger transport - \$250,319 under budget due to bus contract costs currently running lower than expected and lower depreciation due to the delay in the implementation of the regional integrated ticketing project.

Direct charges revenue - \$129,383 under budget due to bus fare revenue being down. This has been affected by the on-going impacts of Covid-19.

Government grants revenue - \$127,336 over budget due to Covid-19 lost passenger revenue being funded by NZTA.

## TRANSPORT

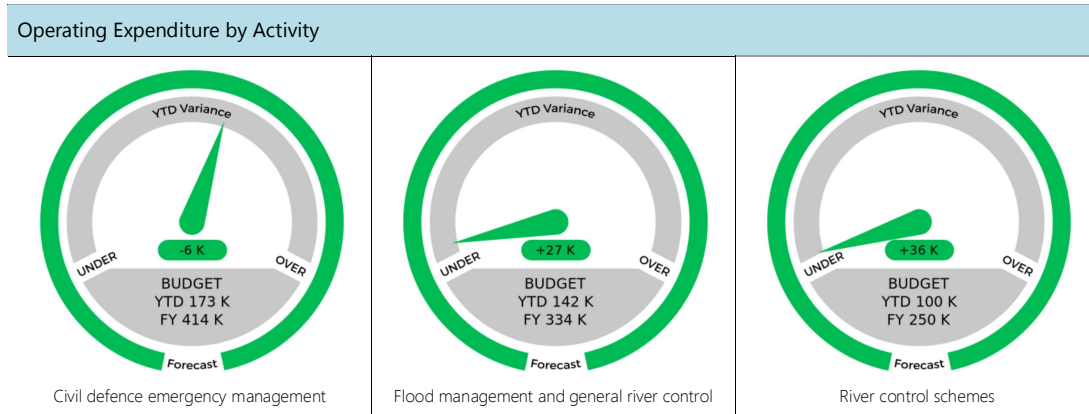
## Cost of services statement

TRANSPORT							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
<b>Expenditure</b>							
Regional land transport planning	8,678	12,415	3,737	34,979	51,420	16,441	120,377
Passenger transport	397,450	408,278	10,828	1,758,561	2,008,880	250,319	4,830,188
Harbour management	0	125	125	14,412	10,625	-3,787	41,500
<b>Total expenditure</b>	<b>406,128</b>	<b>420,818</b>	<b>14,690</b>	<b>1,807,952</b>	<b>2,070,925</b>	<b>262,973</b>	<b>4,992,065</b>
<b>Income</b>							
General rates	-67,699	-67,699	0	48,344	48,344	0	199,448
Targeted rates	320,170	320,169	1	640,339	640,338	1	1,280,678
Direct charges	70,809	97,858	-27,049	359,907	489,290	-129,383	1,174,300
Government grants	232,945	165,081	67,864	952,741	825,405	127,336	2,058,968
Government grants for capital	0	0	0	0	0	0	0
Transfer from reserves	0	0	0	0	0	0	0
Transfer to reserves	0	0	0	0	0	0	0
Investment funds	-150,097	-94,591	-55,506	-193,379	67,548	-260,927	278,671
<b>Total income</b>	<b>406,128</b>	<b>420,818</b>	<b>-14,690</b>	<b>1,807,952</b>	<b>2,070,925</b>	<b>-262,973</b>	<b>4,992,065</b>
<b>Operating surplus/(deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Hazard management

### Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$0.0M	\$0.2K over budget ↑	\$0.4M	\$57.2K under budget ↑
Against a YTD budget of 0.0M and a full year budget of 0.0M.		Against a YTD budget of 0.4M and a full year budget of 1.0M.	



Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

### Commentary and variances

Overall hazard management expenditure is under budget. There are no material activity variances (> or < than \$100,000).

## HAZARD MANAGEMENT

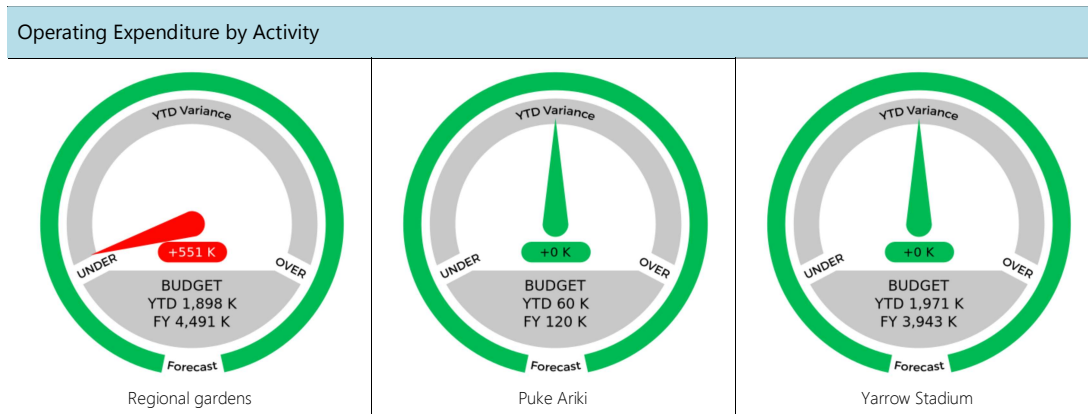
## Cost of services statement

HAZARD MANAGEMENT							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
<b>Expenditure</b>							
Civil defence emergency management	33,759	34,505	746	178,247	172,525	-5,722	414,058
Flood management and general river control	18,850	32,909	14,059	115,085	142,074	26,989	334,138
River control schemes	6,545	18,667	12,122	63,899	99,793	35,894	250,490
<b>Total expenditure</b>	<b>59,154</b>	<b>86,081</b>	<b>26,927</b>	<b>357,231</b>	<b>414,392</b>	<b>57,161</b>	<b>998,686</b>
<b>Income</b>							
General rates	-32,816	-32,816	0	35,415	35,415	0	162,654
Targeted rates	186,944	186,944	0	373,888	373,888	0	747,776
Direct charges	44	0	44	248	0	248	0
Government grants	0	0	0	0	0	0	0
Transfer from reserves	0	0	0	59,817	0	59,817	0
Transfer to reserves	-174,757	0	-174,757	-335,355	0	-335,355	-50,228
Investment funds	101,936	-45,851	147,787	267,610	49,481	218,129	227,263
<b>Total income</b>	<b>81,350</b>	<b>108,277</b>	<b>-26,927</b>	<b>401,623</b>	<b>458,784</b>	<b>-57,161</b>	<b>1,087,465</b>
<b>Operating surplus/(deficit)</b>	<b>22,196</b>	<b>22,196</b>	<b>0</b>	<b>44,392</b>	<b>44,392</b>	<b>0</b>	<b>88,779</b>

## Recreation, culture and heritage

### Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council’s activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$0.1M	\$16.2K over budget ↑	\$3.4M	\$551.3K under budget ↑
Against a YTD budget of 0.1M and a full year budget of 0.2M.		Against a YTD budget of 3.9M and a full year budget of 8.6M.	



Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

### Commentary and variances

Overall recreation, culture and heritage expenditure is under budget. Material activity variances (> or < than \$100,000) are:

Regional Gardens - \$551,306 under budget due to a delay in the Kaitake Trail project funding.



## RECREATION, CULTURE AND HERITAGE

## Cost of services statement

RECREATION CULTURE AND HERITAGE							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
<b>Expenditure</b>							
Regional gardens	330,818	419,256	88,439	1,346,817	1,898,123	551,306	4,491,442
Puke Ariki	0	0	0	60,000	60,000	0	120,000
Yarrow Stadium	985,680	985,680	0	1,971,360	1,971,360	0	3,942,719
<b>Total expenditure</b>	<b>1,316,498</b>	<b>1,404,936</b>	<b>88,439</b>	<b>3,378,177</b>	<b>3,929,483</b>	<b>551,306</b>	<b>8,554,161</b>
<b>Income</b>							
General rates	168,044	168,044	0	782,588	782,588	0	1,841,487
Targeted rates	985,693	985,680	13	1,971,386	1,971,360	26	3,942,719
Direct charges	38,631	16,418	22,213	98,255	82,090	16,165	197,000
Investment funds	124,130	234,794	-110,664	525,948	1,093,445	-567,497	2,572,955
<b>Total income</b>	<b>1,316,498</b>	<b>1,404,936</b>	<b>-88,439</b>	<b>3,378,177</b>	<b>3,929,483</b>	<b>-551,306</b>	<b>8,554,161</b>
<b>Operating surplus/(deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Regional representation, advocacy and investment management

### Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$0.0M	\$22.5K under budget ↑	\$0.7M	\$24.6K under budget ↓
Against a YTD budget of 0.0M and a full year budget of 0.1M.		Against a YTD budget of 0.7M and a full year budget of 1.8M.	

Operating Expenditure by Activity		
<p>Investment management</p>	<p>Community engagement</p>	<p>Advocacy and response</p>
<p>Governance</p>	<p>Key YTD Variance</p> <ul style="list-style-type: none"> <li>■ &lt; 5% and less than \$50,000</li> <li>■ ≥ 5% &lt; 10% and between \$50,000 and \$100,000</li> <li>■ ≥ 10% and greater than \$100,000</li> </ul>	

### Commentary and variances

Overall regional representation and advocacy expenditure is on budget. There are no material activity variances (> or < than \$100,000).

## REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT

## Cost of services statement

REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
<b>Expenditure</b>							
Investment management	0	500	500	0	2,500	2,500	6,000
Community engagement	46,475	44,120	-2,355	176,945	185,890	8,945	438,513
Advocacy and response	25,726	33,071	7,345	93,117	136,226	43,109	319,091
Governance	120,727	105,804	-14,923	453,854	423,889	-29,965	996,912
<b>Total expenditure</b>	<b>192,928</b>	<b>183,495</b>	<b>-9,433</b>	<b>723,916</b>	<b>748,505</b>	<b>24,589</b>	<b>1,760,516</b>
<b>Income</b>							
General rates	74,008	74,008	0	299,551	299,551	0	703,948
Direct charges	7,281	6,083	1,198	7,960	30,415	-22,455	73,000
Investment funds	111,639	103,404	8,235	416,405	418,539	-2,134	983,568
<b>Total income</b>	<b>192,928</b>	<b>183,495</b>	<b>9,433</b>	<b>723,916</b>	<b>748,505</b>	<b>-24,589</b>	<b>1,760,516</b>
<b>Operating surplus/(deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Statement of financial position

This statement summarises the Council's assets, liabilities and residual equity. The statement is split between current items (those expected to be realised within 12 months) and non-current items (expected to last longer than 12 months).

	Month End Actual \$	2020/2021 Estimates \$	2019/2020 Annual Report \$
<b>Current Assets</b>			
Cash and cash equivalents	5,027,932	632,347	2,945,237
Current portion of investments	14,124,433	-	12,595,467
Trade and other receivables	7,937,809	2,000,000	6,969,430
Inventories	162,185	-	162,185
Loan to Taranaki Stadium Trust	4,000,000	25,000,000	4,000,000
Prepayments	738,175	100,000	245,831
Work in progress	376,563	400,000	189,382
<b>Total current assets</b>	<b>32,367,097</b>	<b>28,132,347</b>	<b>27,107,532</b>
<b>Non-current assets</b>			
Treasury investments	1,008,857	4,900,000	1,000,000
Port Taranaki Ltd	26,000,000	26,000,000	26,000,000
Civic Assurance Ltd	1,000	1,000	1,000
Regional Software Holdings Ltd	798,118	798,118	798,118
Intangible assets	744,000	1,825,922	869,701
Investment properties	19,249,000	17,380,500	19,559,000
Property plant and equipment	32,998,708	35,040,516	32,786,757
Deferred tax asset	80,499	-	80,499
<b>Total non-current assets</b>	<b>80,880,182</b>	<b>85,946,056</b>	<b>81,095,075</b>
<b>Total assets</b>	<b>113,247,279</b>	<b>114,078,403</b>	<b>108,202,607</b>
<b>Current liabilities</b>			
Trade and other payables	6,417,256	2,500,000	5,539,140
Work-in-progress	2,140,990	600,000	591,816
Employee entitlements current	1,160,001	935,000	1,141,005
Borrowings	4,000,000	-	4,000,000
<b>Total current liabilities</b>	<b>13,718,247</b>	<b>4,035,000</b>	<b>11,271,961</b>
<b>Non-current liabilities</b>			
Employee entitlements term	556,500	800,000	556,500
Borrowings	-	25,000,000	-
<b>Total non-current liabilities</b>	<b>556,500</b>	<b>25,800,000</b>	<b>556,500</b>
<b>Total liabilities</b>	<b>14,274,747</b>	<b>29,835,000</b>	<b>11,828,461</b>
<b>Public equity</b>			
Retained earnings	72,455,894	60,800,538	70,501,379
Reserves	21,299,766	18,933,527	20,655,895
Asset revaluation reserves	5,216,872	4,509,338	5,216,872
<b>Total public equity</b>	<b>98,972,532</b>	<b>84,243,403</b>	<b>96,374,146</b>
<b>Total liabilities and equity</b>	<b>113,247,279</b>	<b>114,078,403</b>	<b>108,202,607</b>

### Commentary and variances

There are no significant variances to report

## Capital expenditure and disposals

---

Capital expenditure in excess of \$10,000 for the month was:

DESCRIPTION	AMOUNT \$
Pukeiti Lodge Walnut Wall Unit	14,402
Pukeiti Fitness Trail WIP	15,533
Pukeiti Rainforest Centre WIP	28,000

Fixed asset disposals in excess of \$10,000 for the month were:-

DESCRIPTION	AMOUNT \$
2011 Ford Ranger	10,870
2015 Suzuki Grand Vitara	11,304
2019 Subaru XV	24,130

## Local Authorities (Members' Interests) Act 1968

Additions to the *Creditors Detail List* for the month were:

CODE	CREDITOR NAME	ADDRESS	DATE ESTABLISHED
3665	Lavello Estate Ltd T/A Green 1 Consultancy	203B Victoria Avenue, Palmerston North	04-Nov-20
3666	Kirby, Catherine	62 Nevada Road, Hamilton	04-Nov-20
3667	Jimian Limited	204 Karahaki Road, RD 1 Waverley	06-Nov-20
3668	Roadmaster Cases Ltd	2 Ross Reid Place, Auckland	06-Nov-20
3669	Savvy Gas Ltd	191 Broadway, Stratford	06-Nov-20
3670	Micro-Instruments NZ Ltd	P O Box 69-102 Glendene, Auckland	10-Nov-20
3671	Greenhill, Mrs S	37 Cassandra Street, Stratford	11-Nov-20
3672	Clorogene Supplies Ltd	P O Box 38047, Wellington	11-Nov-20
3673	SQN Consulting	25 Peterkin St, Lower Hutt, Wellington	11-Nov-20
3674	Scott Simmons Painting Ltd	51 Nash Road, RD 21 Stratford	11-Nov-20
3675	Larkin Engineering	143 Portia Street, Stratford	11-Nov-20
3676	Block 8 Farm Limited	3 Wairau Road, Oakura	12-Nov-20
3677	Reckless Limited	53 Beach Road, RD 12 Hawera	17-Nov-20
3678	ChargeSmart Limited	141 Gelling Road, Ararimu, Auckland	17-Nov-20
3679	Taylor Family Farms Trust	720 Alfred Road, New Plymouth	17-Nov-20
3680	Kayjaybee Limited	274 High Street, Masterton	17-Nov-20
3681	Kitz, Karenz	1975 Tarata Road, RD 7 Inglewood	17-Nov-20
3682	High-Cut Contracting Limited	21 Glasgow Street, Bell Block	20-Nov-20
3683	Te Wera Valley Lodge	3560 Ohura Road, RD 25 Stratford	30-Nov-20
3684	Kowalewski Brothers Investments Limited	2508 Tarata Road, RD 7 Inglewood	30-Nov-20

### Notes:

1. The schedule of all previously listed creditors for the purpose of the Local Authorities (Members' Interests) Act 1968 is available for Members' perusal.
2. The schedule excludes any staff who may have become a creditor.
3. Under the terms of Section 6 and Section (1) of the Local Authorities (Members' Interests) Act 1968, members are required to declare if they hold directly or indirectly, a pecuniary interest other than an interest in common with the public.

## Financial delegations

The following payments were made during the period to 30 November 2020 that exceeded the budgeted approved delegated authority levels:

DESCRIPTION	AMOUNT \$
Nil	

## Aged debtors analysis

The total debtors outstanding at 30 November 2020 were aged as follows:

DESCRIPTION	AMOUNT \$	PERCENT %
Current balance	6,390,106	92
30 days balance	153,638	2
60 days balance	248,912	4
90 days and over balance	129,437	2
<b>Total debtors</b>	<b>6,922,093</b>	<b>100</b>

## Reserves

As at 30 November 2020 the following reserve balances were held:

DESCRIPTION	AMOUNT \$
Contingency/Disaster Reserve	1,086,000
North Taranaki/Waitara River Control Scheme Reserve	1,471,072
South Taranaki Rivers Control Scheme Reserve	(935)
Dividend Equalisation Reserve	6,424,063
Egmont National Park Control Reserve	613,000
Endowment Land Sales Reserve	2,470,000
Waitara Lands Act 2018 Reserve	9,236,566
<b>Total reserves</b>	<b>21,299,766</b>

## Bank and investment balances

As at 30 November 2020 the following cash, bank and investment balances were held:

	% OF TOTAL	INVESTED \$	YIELD %	MATURITY DATE
Bank of New Zealand:				
Call Account	9	1,718,624	0.3	On Call
Current accounts	16	3,258,919	0.1	On Call
Waitara Lands Account		1,046	0.1	On Call
Term Investment	11	2,201,868	1.0	30/04/2021
Subordinated Notes	5	1,008,857	5.3	17/12/2025
TSB Bank:				
Cheque Accounts		771		On Call
Call Account		37,934	0.5	On Call
Term Investment	8	1,633,986	3.6	09/04/2021
Waitara Lands Term Investment	11	2,210,348	1.6	31/01/2021
ASB Bank:				
Cheque Account		10,334		On Call
Term Investment	5	1,053,361	1.3	20/02/2021
Waitara Lands Term Investment	11	2,119,922	0.9	07/05/2021
Westpac:				
Waitara Lands Account		303	0.1	On Call
Waitara Lands Term Investment	13	2,657,128	1.2	06/04/2021
Waitara Lands Term Investment	11	2,247,819	1.8	22/01/2021
<b>Total</b>	<b>100</b>	<b>20,161,221</b>	<b>1.8*</b>	

All investments are in accordance with the *Investment Policy*. \* Weighted average interest rate.



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DECEMBER 2020

# MONTHLY FINANCIAL REPORT

TARANAKI REGIONAL COUNCIL



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## Executive summary

### Financial performance

FINANCIAL INDICATORS					
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%					
Total revenue		Operating expenditure		Operating surplus/deficit	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council’s activities:		Council’s total revenue less operating expenditure:	
Actual YTD:	Trend:	Actual YTD:	Trend:	Actual YTD:	Trend:
\$21.9M	\$4256.9K over budget ↑	\$19.0M	\$160.3K over budget ↓	\$2.9M	\$4096.6K ahead of budget ↑
Against a YTD budget of \$17.7M and a full year budget of \$47.9M.		Against a YTD budget of \$18.9M and a full year budget of \$49.2M.		Against a YTD budget of \$-1.2M and a full year budget of \$-1.3M.	

FINANCIAL PERFORMANCE			
Operating Expenditure		Income	
Actual	Forecast	Actual	Forecast
Financial Performance 	Future Performance 	Financial Performance 	Future Performance 

### Commentary and variances

The overall financial result is tracking ahead of budget. This is due to Port Taranaki Ltd dividends and Waitara Lands reserve distributions being received earlier than budgeted.

Corporate services expenditure is running over budget due to increases in legal, information technology and recruitment expenditure. Additionally, there is a significant investment in investigations for the accommodation review. These expenses are impacting all activities as overheads. These expenditure trends will continue through the financial year as we continue to address the significant changes, such as the essential freshwater reforms, facing the Council.

## Key

This section defines the symbols and colours used in the Executive Summary and the Groups of Activities.

### Introduction

In the “Financial Indicators Section”, for revenue, expenditure and operating surplus/deficit, for the whole of the Council the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than \$50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. A red variance indicates that the variance is more than plus or minus 10% and more than \$100,000. The arrow indicates the trend over time. A green up arrow indicates and improving trend and a red down arrow indicates a deteriorating trend.

The financial performance pie graphs for operating expenditure and income show the actual performance against budget and the forecast performance against budget, accumulated for all activities. The green slice indicates the number of activities where the variance is within plus or minus 5% and less than \$50,000. The yellow slice indicates the number of activities where the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. The red slice indicates the number of activities where the variance is more than plus or minus 10% and more than \$100,000.

The operational performance pie graphs for levels of service and individual activities show the actual performance against budget and the forecast performance against budget, accumulated for all activities. The green slice indicates the number of levels of service/activities where the actual performance is on target. The yellow slice indicates the number of levels of service/activities where the actual performance is at risk of not being achieved. The red slice indicates the number of levels of service/activities where the actual performance is not meeting the target.

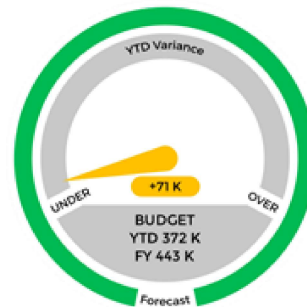
### For each Group of Activities:

In the “Financial Indicators Section”, for revenue and expenditure, for that group of activities, the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than \$50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. A red variance indicates that the variance is more than plus or minus 10% and more than \$100,000. The arrow indicates the trend over time. A green up arrow indicates and improving trend and a red down arrow indicates a deteriorating trend.

In the “Operating Expenditure by Activity” section, there is a dial for each activity comparing YTD expenditure against budget and a forecast for the rest of the year. The colours are green – variance of less than plus or minus 5% and less than \$50,000, yellow – plus or minus variance of more than 5% and between \$50,000 and \$100,000 but less than 10% and red – plus or minus variance of more than 10% and \$100,000.

The key components of each dial are:

- The outer ring is the forecast for the rest of the year – green OK, yellow performance at risk, red target will not be achieved
- The pointer indicates whether the variance is over or under budget and the colour indicates the scale of the variance – the actual variance figure sits at the bottom of the pointer
- The YTD and Full Year (FY) budgets are included in the grey section.



The operational performance pie graphs for levels of service and individual activities show the actual performance against budget and the forecast performance against budget, accumulated for all activities within that group of activities. The green slice indicates the number of levels of service/activities where the actual performance is on target. The yellow slice indicates the number of levels of service/activities where the actual performance is at risk of not being achieved. The red slice indicates the number of levels of service/activities where the actual performance is not meeting the target.

## Statement of comprehensive revenue and expense

This statement summarises performance against budget for the month and for the year to date.

	Month			Year to date			2020/2021
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
<b>Cost of services</b>							
Resource management	1,263,594	1,116,363	-147,231	8,144,736	7,392,731	-752,005	24,532,923
Biosecurity and biodiversity	704,204	762,016	57,812	3,674,416	3,273,078	-401,338	7,360,373
Transport	344,235	420,154	75,919	2,152,187	2,491,079	338,892	4,992,065
Hazard management	62,931	78,061	15,130	420,162	492,453	72,291	998,686
Recreation culture and heritage	335,005	362,940	27,935	3,713,182	4,292,423	579,241	8,554,161
Regional representation advocacy and investment management	175,285	138,560	-36,725	899,201	887,065	-12,136	1,760,516
<b>Total operating expenditure</b>	<b>2,885,254</b>	<b>2,878,094</b>	<b>-7,160</b>	<b>19,003,883</b>	<b>18,828,829</b>	<b>-175,054</b>	<b>48,198,724</b>
<b>Revenue from exchange transactions</b>							
Direct charges revenue	287,453	285,963	1,490	1,748,989	1,740,778	8,211	4,376,777
Rent revenue	163,750	95,833	67,917	699,384	574,998	124,386	1,150,000
Dividends	0	0	0	6,000,000	4,000,000	2,000,000	8,000,000
<b>Revenue from non-exchange transactions</b>							
General rates revenue	0	0	0	3,977,196	3,977,196	0	7,954,392
Targeted rates revenue	0	0	0	2,985,612	2,985,586	26	5,971,173
Direct charges revenue	2,376,201	214,694	2,161,507	4,013,536	2,455,765	1,557,771	15,026,419
Government grants	367,358	248,414	118,944	2,354,098	1,780,564	573,534	4,094,968
Vested assets	0	0	0	0	0	0	0
<b>Total income</b>	<b>3,194,762</b>	<b>844,904</b>	<b>2,349,858</b>	<b>21,778,816</b>	<b>17,514,887</b>	<b>4,263,929</b>	<b>46,573,729</b>
<b>Operating surplus/(deficit) before finance income/expenses &amp; taxation</b>	<b>309,508</b>	<b>-2,033,190</b>	<b>2,342,698</b>	<b>2,774,933</b>	<b>-1,313,942</b>	<b>4,088,875</b>	<b>-1,624,995</b>
Finance income	24,814	25,000	-186	167,975	175,000	-7,025	1,341,772
Finance expense	0	0	0	-10,202	-25,000	14,798	-1,041,772
Net finance expense	24,814	25,000	-186	157,773	150,000	7,773	300,000
<b>Operating surplus before taxation</b>	<b>334,322</b>	<b>-2,008,190</b>	<b>2,342,512</b>	<b>2,932,706</b>	<b>-1,163,942</b>	<b>4,096,648</b>	<b>-1,324,995</b>
<b>Other gains/losses</b>							
Gains/(losses) on revaluation of properties	0	0	0	0	0	0	0
<b>Operating surplus before taxation</b>	<b>334,322</b>	<b>-2,008,190</b>	<b>2,342,512</b>	<b>2,932,706</b>	<b>-1,163,942</b>	<b>4,096,648</b>	<b>-1,324,995</b>
Income tax expense	0	0	0	0	0	0	10,000
<b>Surplus/(deficit) for the period</b>	<b>334,322</b>	<b>-2,008,190</b>	<b>2,342,512</b>	<b>2,932,706</b>	<b>-1,163,942</b>	<b>4,096,648</b>	<b>-1,334,995</b>
<b>Other comprehensive income</b>							
Revaluation of property, plant and equipment	0	0	0	0	0	0	0
<b>Other comprehensive income, net of tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating surplus/(deficit)</b>	<b>334,322</b>	<b>-2,008,190</b>	<b>2,342,512</b>	<b>2,932,706</b>	<b>-1,163,942</b>	<b>4,096,648</b>	<b>-1,334,995</b>



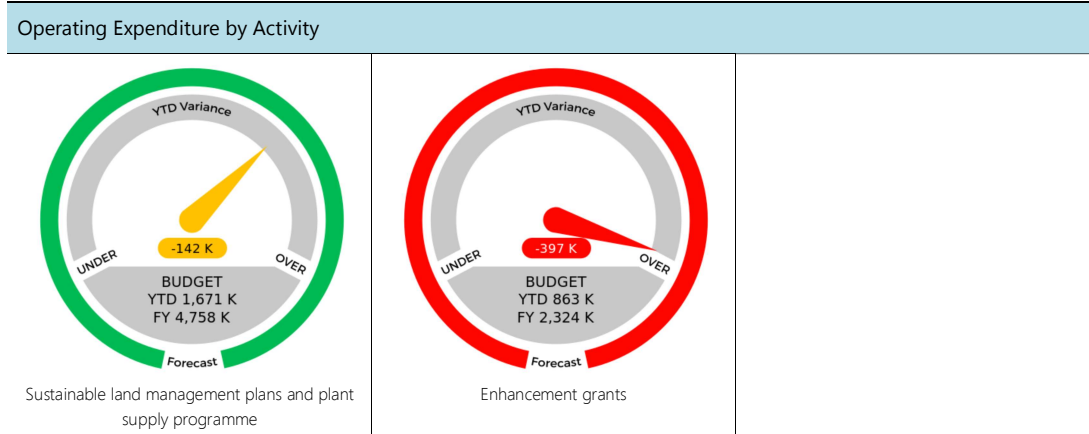
## Resource management

### Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$5.3M	\$2435.7K over budget ↑	\$8.1M	\$752.0K over budget ↓
Against a YTD budget of 2.9M and a full year budget of 17.3M.		Against a YTD budget of 7.4M and a full year budget of 24.5M.	

Operating Expenditure by Activity		
<p>Resource management planning</p>	<p>Consent processing and administration</p>	<p>Compliance monitoring programmes</p>
<p>Pollution incidence and response</p>	<p>State of the environment monitoring</p>	<p>Resource investigations and projects</p>

RESOURCE MANAGEMENT



Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

Commentary and variances

Overall resource management expenditure is over budget. Material activity variances (> or < than \$100,000) are:

Resource management planning - \$120,310 under budget due to staff vacancies and expenditure forecasted to occur later in the year.

Compliance monitoring programmes - \$268,797 over budget due to staff focus on monitoring and reporting.

State of the environment monitoring - \$173,492 over budget due to staff focus and increased costs associated with NPS Freshwater.

Sustainable land management plans and plant supply programme - \$141,833 over budget partly due to higher consent condition expenditure. This additional expenditure is offset by higher consent condition revenues.

Enhancement grants - \$397,187 over budget due to the timing of Fresh Water Improvement, Public Waterways and Eco-system Restoration funds and STRESS expenditure. This additional expenditure is offset by government grant revenue being \$298,921 over budget.

Direct charges revenue - \$2,136,819 over budget due to Waitara Lands reserve distributions being received earlier than expected.

## RESOURCE MANAGEMENT

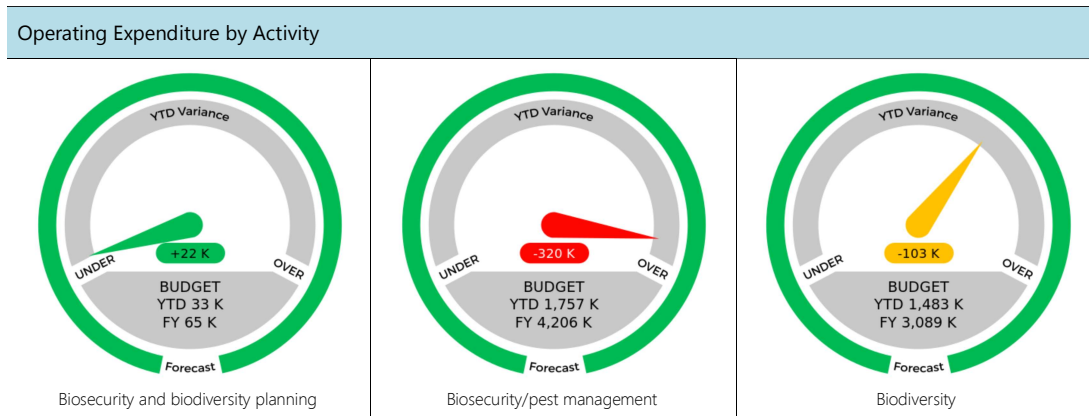
## Cost of services statement

RESOURCE MANAGEMENT							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
<b>Expenditure</b>							
Resource management planning	76,392	82,543	6,151	411,855	532,165	120,310	1,055,744
Consent processing and administration	95,983	89,633	-6,350	562,288	590,912	28,624	1,157,001
Compliance monitoring programmes	341,719	279,133	-62,586	2,051,698	1,782,901	-268,797	3,535,190
Pollution incidents and response	85,888	79,257	-6,631	524,432	506,280	-18,152	1,004,005
State of the environment monitoring	305,398	192,896	-112,502	1,400,840	1,227,348	-173,492	2,434,537
Resource investigations and projects	12,176	34,729	22,553	120,910	219,482	98,572	435,802
Sustainable land management plans and plant supply programme	247,848	208,538	-39,310	1,812,523	1,670,690	-141,833	4,757,793
Waitara River catchment	0	0	0	50	0	-50	7,828,882
Enhancement grants	98,190	149,634	51,444	1,260,140	862,953	-397,187	2,323,969
<b>Total expenditure</b>	<b>1,263,594</b>	<b>1,116,363</b>	<b>-147,231</b>	<b>8,144,736</b>	<b>7,392,731</b>	<b>-752,005</b>	<b>24,532,923</b>
<b>Income</b>							
General rates	278,668	278,668	0	1,868,263	1,868,263	0	3,061,369
Direct charges	2,521,269	365,004	2,156,265	4,260,843	2,124,024	2,136,819	15,258,159
Government grants	55,000	83,333	-28,333	1,088,999	790,078	298,921	2,036,000
Transfer from reserves	0	0	0	0	0	0	0
Transfer to reserves	-2,245,377	0	-2,245,377	-2,313,710	0	-2,313,710	-100,000
Investment funds	654,034	389,358	264,676	3,240,340	2,610,366	629,974	4,277,395
<b>Total income</b>	<b>1,263,594</b>	<b>1,116,363</b>	<b>147,231</b>	<b>8,144,736</b>	<b>7,392,731</b>	<b>752,005</b>	<b>24,532,923</b>
<b>Operating surplus/(deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Biosecurity and biodiversity

### Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$1.0M	\$376.7K under budget ↓	\$3.7M	\$401.3K over budget ↑
Against a YTD budget of 1.4M and a full year budget of 2.7M.		Against a YTD budget of 3.3M and a full year budget of 7.4M.	



Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

### Commentary and variances

Overall biosecurity and biodiversity expenditure is over budget. Material activity variances (> or < than \$100,000) are:

Biosecurity/pest management - \$320,055 and Biodiversity - \$103,412 over budget due to the early timing of Towards Predator Free Taranaki expenditure. Both of these variances are forecasted to be on budget by year end.

Direct charges revenue is \$376,714 under budget mainly due to Predator Free 2050 funding being recognised on an accrual basis (as earned) rather than cash received.

## BIOSECURITY AND BIODIVERSITY

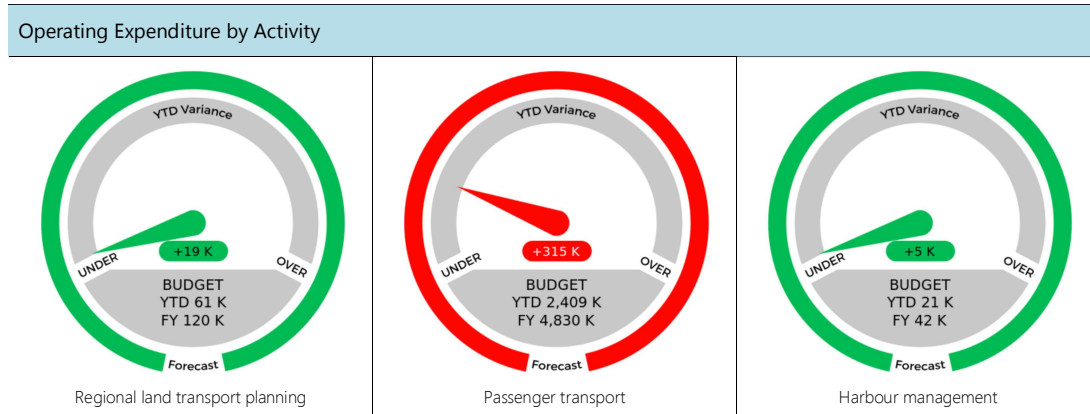
## Cost of services statement

BIOSECURITY AND BIODIVERSITY							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
<b>Expenditure</b>							
Biosecurity and biodiversity planning	2,355	5,105	2,750	10,738	32,868	22,130	65,272
Biosecurity/pest management	430,434	469,401	38,967	2,077,143	1,757,088	-320,055	4,206,046
Biodiversity	271,416	287,510	16,094	1,586,534	1,483,122	-103,412	3,089,055
<b>Total expenditure</b>	<b>704,204</b>	<b>762,016</b>	<b>57,812</b>	<b>3,674,416</b>	<b>3,273,078</b>	<b>-401,338</b>	<b>7,360,373</b>
<b>Income</b>							
General rates	311,495	311,495	0	802,058	802,058	0	1,985,485
Direct charges	12,348	15,295	-2,947	973,657	1,350,371	-376,714	2,700,737
Transfer from reserves	0	0	0	0	0	0	0
Transfer to reserves	0	0	0	0	0	0	-100,000
Investment funds	380,361	435,226	-54,865	1,898,700	1,120,649	778,051	2,774,151
<b>Total income</b>	<b>704,204</b>	<b>762,016</b>	<b>-57,812</b>	<b>3,674,416</b>	<b>3,273,078</b>	<b>401,338</b>	<b>7,360,373</b>
<b>Operating surplus/(deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Transport

### Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$1.7M	\$91.6K over budget ↑	\$2.2M	\$338.9K under budget ↑
Against a YTD budget of 1.6M and a full year budget of 3.2M.		Against a YTD budget of 2.5M and a full year budget of 5.0M.	



Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

### Commentary and variances

Overall transport expenditure is under budget. Material activity variances (> or < than \$100,000) are:

Passenger transport - \$314,529 under budget due to bus contract costs currently running lower than expected and lower depreciation due to the delay in the implementation of the regional integrated ticketing project.

Direct charges revenue - \$183,016 under budget due to bus fare revenue being down. This has been affected by the on-going impacts of Covid-19.

Government grants revenue - \$274,613 over budget due to Covid-19 lost passenger revenue and the delayed regional integrated ticketing project being funded by NZTA.



## TRANSPORT

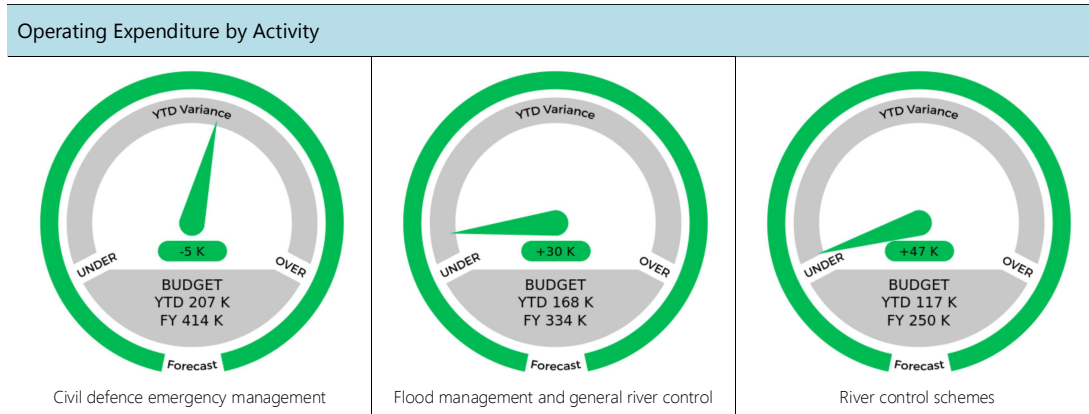
## Cost of services statement

TRANSPORT							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
<b>Expenditure</b>							
Regional land transport planning	6,813	9,467	2,654	41,792	60,887	19,095	120,377
Passenger transport	336,352	400,562	64,210	2,094,913	2,409,442	314,529	4,830,188
Harbour management	1,070	10,125	9,055	15,482	20,750	5,268	41,500
<b>Total expenditure</b>	<b>344,235</b>	<b>420,154</b>	<b>75,919</b>	<b>2,152,187</b>	<b>2,491,079</b>	<b>338,892</b>	<b>4,992,065</b>
<b>Income</b>							
General rates	65,582	65,582	0	113,926	113,926	0	199,448
Targeted rates	0	0	0	640,339	640,338	1	1,280,678
Direct charges	44,225	97,858	-53,633	404,132	587,148	-183,016	1,174,300
Government grants	312,358	165,081	147,277	1,265,099	990,486	274,613	2,058,968
Government grants for capital	0	0	0	0	0	0	0
Transfer from reserves	0	0	0	0	0	0	0
Transfer to reserves	0	0	0	0	0	0	0
Investment funds	-77,930	91,633	-169,563	-271,309	159,181	-430,490	278,671
<b>Total income</b>	<b>344,235</b>	<b>420,154</b>	<b>-75,919</b>	<b>2,152,187</b>	<b>2,491,079</b>	<b>-338,892</b>	<b>4,992,065</b>
<b>Operating surplus/(deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Hazard management

### Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): <span style="color: yellow;">●</span> ≥5% and <span style="color: red;">●</span> <10% ≥10%			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$0.0M	\$0.3K over budget 	\$0.4M	\$72.3K under budget 
Against a YTD budget of 0.0M and a full year budget of 0.0M.		Against a YTD budget of 0.5M and a full year budget of 1.0M.	



Key	YTD Variance
<span style="color: green;">■</span>	< 5% and less than \$50,000
<span style="color: yellow;">■</span>	≥ 5% < 10% and between \$50,000 and \$100,000
<span style="color: red;">■</span>	≥ 10% and greater than \$100,000

### Commentary and variances

Overall hazard management expenditure is under budget. There are no material activity variances (> or < than \$100,000).



## HAZARD MANAGEMENT

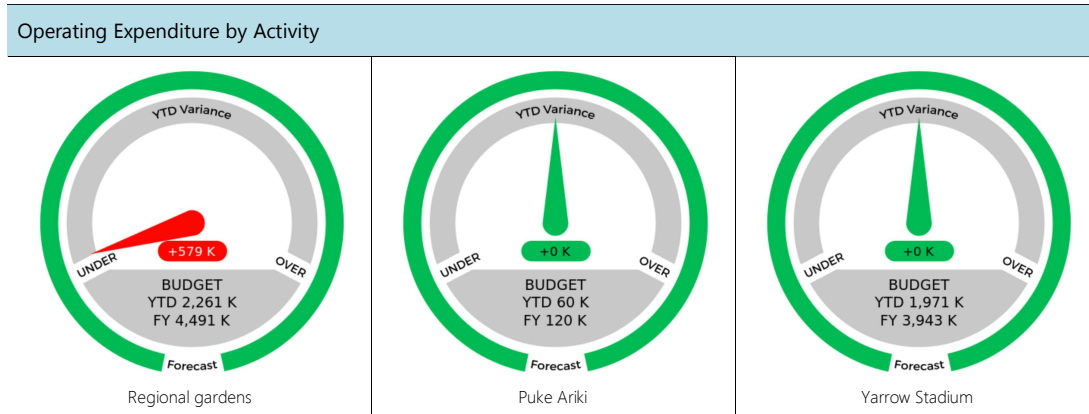
## Cost of services statement

HAZARD MANAGEMENT							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
<b>Expenditure</b>							
Civil defence emergency management	34,069	34,505	436	212,316	207,030	-5,286	414,058
Flood management and general river control	23,209	26,332	3,123	138,294	168,406	30,112	334,138
River control schemes	5,653	17,224	11,571	69,552	117,017	47,465	250,490
<b>Total expenditure</b>	<b>62,931</b>	<b>78,061</b>	<b>15,130</b>	<b>420,162</b>	<b>492,453</b>	<b>72,291</b>	<b>998,686</b>
<b>Income</b>							
General rates	32,563	32,563	0	67,978	67,978	0	162,654
Targeted rates	0	0	0	373,888	373,888	0	747,776
Direct charges	59	0	59	308	0	308	0
Government grants	0	0	0	0	0	0	0
Transfer from reserves	12,598	0	12,598	72,415	0	72,415	0
Transfer to reserves	0	0	0	-335,355	0	-335,355	-50,228
Investment funds	17,711	45,498	-27,787	285,321	94,979	190,342	227,263
<b>Total income</b>	<b>62,931</b>	<b>78,061</b>	<b>-15,130</b>	<b>464,554</b>	<b>536,845</b>	<b>-72,291</b>	<b>1,087,465</b>
<b>Operating surplus/(deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>44,392</b>	<b>44,392</b>	<b>0</b>	<b>88,779</b>

## Recreation, culture and heritage

### Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$0.1M	\$48.5K over budget ↑	\$3.7M	\$579.2K under budget ↑
Against a YTD budget of 0.1M and a full year budget of 0.2M.		Against a YTD budget of 4.3M and a full year budget of 8.6M.	



Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

### Commentary and variances

Overall recreation, culture and heritage expenditure is under budget. Material activity variances (> or < than \$100,000) are:

Regional Gardens - \$579,241 under budget due to a delay in the Kaitake Trail project funding.

## RECREATION, CULTURE AND HERITAGE

## Cost of services statement

RECREATION CULTURE AND HERITAGE							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
<b>Expenditure</b>							
Regional gardens	335,005	362,940	27,935	1,681,822	2,261,063	579,241	4,491,442
Puke Ariki	0	0	0	60,000	60,000	0	120,000
Yarrow Stadium	0	0	0	1,971,360	1,971,360	0	3,942,719
<b>Total expenditure</b>	<b>335,005</b>	<b>362,940</b>	<b>27,935</b>	<b>3,713,182</b>	<b>4,292,423</b>	<b>579,241</b>	<b>8,554,161</b>
<b>Income</b>							
General rates	144,552	144,552	0	927,140	927,140	0	1,841,487
Targeted rates	0	0	0	1,971,386	1,971,360	26	3,942,719
Direct charges	48,789	16,418	32,371	147,044	98,508	48,536	197,000
Investment funds	141,664	201,970	-60,306	667,612	1,295,415	-627,803	2,572,955
<b>Total income</b>	<b>335,005</b>	<b>362,940</b>	<b>-27,935</b>	<b>3,713,182</b>	<b>4,292,423</b>	<b>-579,241</b>	<b>8,554,161</b>
<b>Operating surplus/(deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Regional representation, advocacy and investment management

### Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$0.1M	\$19.6K over budget ↑	\$0.9M	\$12.1K over budget ↓
Against a YTD budget of 0.0M and a full year budget of 0.1M.		Against a YTD budget of 0.9M and a full year budget of 1.8M.	

Operating Expenditure by Activity		
<p>Investment management</p>	<p>Community engagement</p>	<p>Advocacy and response</p>
<p>Governance</p>	<p>Key YTD Variance</p> <ul style="list-style-type: none"> <li>■ &lt; 5% and less than \$50,000</li> <li>■ ≥ 5% &lt; 10% and between \$50,000 and \$100,000</li> <li>■ ≥ 10% and greater than \$100,000</li> </ul>	

### Commentary and variances

Overall regional representation and advocacy expenditure is on budget. There are no material activity variances (> or < than \$100,000).

## REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT

## Cost of services statement

REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
<b>Expenditure</b>							
Investment management	0	500	500	0	3,000	3,000	6,000
Community engagement	45,737	34,894	-10,843	222,682	220,784	-1,898	438,513
Advocacy and response	22,072	24,900	2,828	115,189	161,126	45,937	319,091
Governance	107,476	78,266	-29,210	561,330	502,155	-59,175	996,912
<b>Total expenditure</b>	<b>175,285</b>	<b>138,560</b>	<b>-36,725</b>	<b>899,201</b>	<b>887,065</b>	<b>-12,136</b>	<b>1,760,516</b>
<b>Income</b>							
General rates	55,263	55,263	0	354,814	354,814	0	703,948
Direct charges	48,150	6,083	42,067	56,109	36,498	19,611	73,000
Investment funds	71,872	77,214	-5,342	488,277	495,753	-7,476	983,568
<b>Total income</b>	<b>175,285</b>	<b>138,560</b>	<b>36,725</b>	<b>899,201</b>	<b>887,065</b>	<b>12,136</b>	<b>1,760,516</b>
<b>Operating surplus/(deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Statement of financial position

This statement summarises the Council's assets, liabilities and residual equity. The statement is split between current items (those expected to be realised within 12 months) and non-current items (expected to last longer than 12 months).

	Month End Actual \$	2020/2021 Estimates \$	2019/2020 Annual Report \$
<b>Current Assets</b>			
Cash and cash equivalents	3,061,554	632,347	2,945,237
Current portion of investments	18,378,052	-	12,595,467
Trade and other receivables	3,497,688	2,000,000	6,969,430
Inventories	162,185	-	162,185
Loan to Taranaki Stadium Trust	4,000,000	25,000,000	4,000,000
Prepayments	685,237	100,000	245,831
Work in progress	408,649	400,000	189,382
<b>Total current assets</b>	<b>30,193,365</b>	<b>28,132,347</b>	<b>27,107,532</b>
<b>Non-current assets</b>			
Treasury investments	1,000,000	4,900,000	1,000,000
Port Taranaki Ltd	26,000,000	26,000,000	26,000,000
Civic Assurance Ltd	1,000	1,000	1,000
Regional Software Holdings Ltd	798,118	798,118	798,118
Intangible assets	718,418	1,825,922	869,701
Investment properties	19,249,000	17,380,500	19,559,000
Property plant and equipment	33,595,611	35,040,516	32,786,757
Deferred tax asset	80,499	-	80,499
<b>Total non-current assets</b>	<b>81,442,647</b>	<b>85,946,056</b>	<b>81,095,075</b>
<b>Total assets</b>	<b>111,636,012</b>	<b>114,078,403</b>	<b>108,202,607</b>
<b>Current liabilities</b>			
Trade and other payables	4,503,733	2,500,000	5,539,140
Work-in-progress	2,036,751	600,000	591,816
Employee entitlements current	1,232,174	935,000	1,141,005
Borrowings	4,000,000	-	4,000,000
<b>Total current liabilities</b>	<b>11,772,658</b>	<b>4,035,000</b>	<b>11,271,961</b>
<b>Non-current liabilities</b>			
Employee entitlements term	556,500	800,000	556,500
Borrowings	-	25,000,000	-
<b>Total non-current liabilities</b>	<b>556,500</b>	<b>25,800,000</b>	<b>556,500</b>
<b>Total liabilities</b>	<b>12,329,158</b>	<b>29,835,000</b>	<b>11,828,461</b>
<b>Public equity</b>			
Retained earnings	70,557,437	60,800,538	70,501,379
Reserves	23,532,545	18,933,527	20,655,895
Asset revaluation reserves	5,216,872	4,509,338	5,216,872
<b>Total public equity</b>	<b>99,306,854</b>	<b>84,243,403</b>	<b>96,374,146</b>
<b>Total liabilities and equity</b>	<b>111,636,012</b>	<b>114,078,403</b>	<b>108,202,607</b>

### Commentary and variances

There are no significant variances to report

## Capital expenditure and disposals

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Capital expenditure in excess of \$10,000 for the month was:

DESCRIPTION	AMOUNT \$
2020 Ford Ranger Utes x 10	498,363
2020 Mazda CX 3	32,966
Regional Integrated Ticketing Project WIP	190,051
Pukeiti Fitness Trail WIP	12,569

Fixed asset disposals in excess of \$10,000 for the month were:-

DESCRIPTION	AMOUNT \$
2016 Toyota Hilux Utes x 3	81,604
2016 Mazda CX 3	15,517

## Local Authorities (Members' Interests) Act 1968

Additions to the *Creditors Detail List* for the month were:

CODE	CREDITOR NAME	ADDRESS	DATE ESTABLISHED
3685	John & Phyllis Shirley Malcolm	392 Tempsky Road, Hawera	01-Dec-20
3686	Van Dyck Fine Foods	49 Corbett Road, New Plymouth	01-Dec-20
3687	Rangi, Lisa	30A Rossiter Crescent, New Plymouth	01-Dec-20
3695	Mangaotea Farms Limited T/A Ratariki	183 Mangaotea Road, RD 10 Inglewood	02-Dec-20
3696	Blackwell, Mr Robin	183 Mangaotea Road, RD 10 Inglewood	02-Dec-20
3697	Langside Trust	456 South Road, RD 11 Hawera	09-Dec-20
3698	Pathways to New Zealand Ltd	P O Box 7089, Hamilton	10-Dec-20
3699	Symes Trust No3	1198 Kaharoa Road, RD 1 Patea	10-Dec-20
3700	Fitzroy Golf Club	P O Box 3139, New Plymouth	14-Dec-20
3701	Butlers Reef	1133 South Road, Oakura	14-Dec-20
3702	Te Ngutu Golf Club Incorporated	P O Box 44, Hawera	14-Dec-20
3703	Escape Coffee Roasters	15 Liardet Street, New Plymouth	14-Dec-20
3704	Happen Consulting Ltd	17 Hardwicke Street, Christchurch	14-Dec-20
3705	Vertical Horizon	572 Everett Road, RD 8 Inglewood	15-Dec-20
3706	Farmerjoe Catering	251 Ahipaipa Road, RD 11 Hawera	15-Dec-20
3707	Dalroy Tours and Coachlines	P O Box 8256, New Plymouth	17-Dec-20
3708	Halves Studio Limited T/A Frontroom Studio	108 Govett Ave, New Plymouth	18-Dec-20
3709	Lobb, Evan	52 Pilot Road, Tongaporutu	22-Dec-20

Notes:

1. The schedule of all previously listed creditors for the purpose of the Local Authorities (Members' Interests) Act 1968 is available for Members' perusal.
2. The schedule excludes any staff who may have become a creditor.
3. Under the terms of Section 6 and Section (1) of the Local Authorities (Members' Interests) Act 1968, members are required to declare if they hold directly or indirectly, a pecuniary interest other than an interest in common with the public.



## Financial delegations

The following payments were made during the period to 31 December 2020 that exceeded the budgeted approved delegated authority levels:

DESCRIPTION	AMOUNT \$
Nil	

## Aged debtors analysis

The total debtors outstanding at 31 December 2020 were aged as follows:

DESCRIPTION	AMOUNT \$	PERCENT %
Current balance	188,034	9
30 days balance	1,378,287	67
60 days balance	183,157	9
90 days and over balance	306,907	15
<b>Total debtors</b>	<b>2,056,385</b>	<b>100</b>

## Reserves

As at 31 December 2020 the following reserve balances were held:

DESCRIPTION	AMOUNT \$
Contingency/Disaster Reserve	1,086,000
North Taranaki/Waitara River Control Scheme Reserve	1,459,174
South Taranaki Rivers Control Scheme Reserve	(1,635)
Dividend Equalisation Reserve	6,424,063
Egmont National Park Control Reserve	613,000
Endowment Land Sales Reserve	2,470,000
Waitara Lands Act 2018 Reserve	11,481,943
<b>Total reserves</b>	<b>23,532,545</b>

## Bank and investment balances

As at 31 December 2020 the following cash, bank and investment balances were held:

	% OF TOTAL	INVESTED \$	YIELD %	MATURITY DATE
Bank of New Zealand:				
Call Account	10	2,219,239	0.3	On Call
Current accounts	4	791,722	0.1	On Call
Waitara Lands Account		1,046	0.1	On Call
Term Investment	10	2,203,737	1.0	30/04/2021
Subordinated Notes	4	1,000,000	5.3	17/12/2025
TSB Bank:				
Cheque Accounts		771		On Call
Call Account		37,945	0.5	On Call
Term Investment	7	1,638,955	3.6	09/04/2021
Waitara Lands Term Investment	10	2,213,335	1.6	31/01/2021
ASB Bank:				
Cheque Account		10,334		On Call
Term Investment	5	1,054,494	1.3	20/02/2021
Term Investment	9	2,000,466	0.9	13/06/2021
Waitara Lands Term Investment	9	2,121,614	0.9	07/05/2021
Westpac:				
Waitara Lands Account		497	0.1	On Call
Waitara Lands Term Investment	12	2,659,719	1.2	06/04/2021
Waitara Lands Term Investment	10	2,251,230	1.8	22/01/2021
Waitara Lands Term Investment	10	2,234,502	0.8	22/06/2021
<b>Total</b>	<b>100</b>	<b>22,439,606</b>	<b>1.6*</b>	

All investments are in accordance with the *Investment Policy*. \* Weighted average interest rate.

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**Date** 15 February 2021

**Subject:** **Quarterly Operational Report – December 2020**

**Approved by:** M J Nield, Director - Corporate Services  
S J Ruru, Chief Executive

**Document:** 2703863

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### **Purpose**

1. The purpose of this memorandum is to receive and consider the Council's Quarterly Operational Report (QOR) for the quarter ended 31 December 2020.

### **Executive summary**

2. For the quarter ended 31 December 2020, the QOR shows the Council is making good progress on the adopted works programme. There are no new areas of concern that need to be considered by the Council. This level of performance is forecast to continue throughout the rest of 2020/2021.
3. The following performance measures are noted as being orange. That is, performance to date is at risk of not achieving the target or there is a risk that the year-end performance may not be achieved:  
Nil.
4. The following performance measures are noted as being red. That is, performance to date has not achieved the target or the performance for the rest of the year is unlikely to achieve the target:  
Nil.

### **Recommendation**

That the Taranaki Regional Council:

- a) receives and adopts the Quarterly Operational Report for the quarter ended 31 December 2020.

### **Background**

5. The purpose of a Quarterly Operational Report (QOR) is to present a snapshot of the Council progressing through the delivery of the programme of activities agreed to in

that year's annual plan or long-term plan. It is designed to give a feel for how the Council is progressing and the forecast for the rest of the year.

## Discussion

6. This report covers the second quarter of the 2020/2021 year and reports upon the achievement of the approved programme of work for 2020/2021 as adopted in the *2020/2021 Annual Plan*. The focus of the Report is on operational performance. Financial performance will continue to be reported on a monthly basis through the six-weekly Executive, Audit and Risk Committee meetings.
7. The Report is structured on the format of the performance management framework within the *2020/2021 Annual Plan*. Reporting is based upon each activity within the six groups of activities. The following is included:
  - The objective for that activity
  - Commentary/Highlights – a high-level overview of how that activity is progressing and any indications for future performance. Case studies and/or matters of interest may also be included in this section.
  - Outputs/Key performance indicators – these are the annual plan/long-term plan measures for the year together with actual performance to date. “NF” (non-financial status) is the performance year to date and “E” (expected future status) is the forecast for the rest of the year. The colours are as defined below.
  - Scoreboard – Outputs/Key performance indicators – this is a graphical representation of how performance is progressing and how it is forecast to progress for the rest of the year. The key is:
    - green – performance is on target for the year or is forecast to remain on target for the year
    - orange – performance to date is at risk of not achieving the target or there is a risk that the year-end performance may not be achieved
    - red – performance to date has not achieved the target or the performance for the rest of the year is unlikely to achieve the target
    - grey – the performance measure has been delayed
    - black – reporting on the performance measure has not been updated or the forecast for the rest of the year has not been updated.
  - Further explanation of all performance that is not “on target” is provided.
8. For the quarter ended 31 December 2020, the QOR shows the Council is making good progress on the adopted works programme. There are no new areas of concern that need to be considered by the Council. This level of performance is forecast to continue throughout the rest of 2020/2021.
9. Except as noted below the Council is achieving all the measures and targets established in the *2020/2021 Annual Plan*.
10. The following performance measures are noted as being orange. That is, performance to date is at risk of not achieving the target or there is a risk that the year-end performance may not be achieved:

Nil.

11. The following performance measures are noted as being red. That is, performance to date has not achieved the target or the performance for the rest of the year is unlikely to achieve the target:

Nil.

**Financial considerations—LTP/Annual Plan**

12. This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

**Policy considerations**

13. This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the *Local Government Act 2002*, the *Resource Management Act 1991* and the *Local Government Official Information and Meetings Act 1987*.

**Iwi considerations**

14. This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the *Local Government Act 2002*) as outlined in the adopted long-term plan and/or annual plan.

**Community considerations**

15. This memorandum and the associated recommendations have considered the views of the community, interested and affected parties and those views have been recognised in the preparation of this memorandum.

**Legal considerations**

16. This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

**Appendices/Attachments**

Document 2703814: 31 December 2020 Quarterly Operational Report



DECEMBER 2020

# QUARTERLY OPERATIONAL REPORT

TARANAKI REGIONAL COUNCIL





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## Executive summary

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This is the Quarterly Operational Report (QOR) for the three months ended 31 December 2020. The purpose of a QOR is to present a snapshot of the Council progressing through the delivery of the programme of activities agreed to in that year's annual plan or long-term plan. It is designed to give a feel for how the Council is progressing and the forecast for the rest of the year.

This QOR presents the achievement of the programmes of work established for 2020/2021 in the *2020/2021 Annual Plan*.

Except as noted below the Council is achieving all the measures and targets established for 2020/2021 in the *2020/2021 Annual Plan*.

The following performance measures are noted as being orange. That is, performance to date is at risk of not achieving the target or there is a risk that the year-end performance may not be achieved:

Nil.

The following performance measures are noted as being red. That is, performance to date has not achieved the target or the performance for the rest of the year is unlikely to achieve the target:

Nil.

## Introduction

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The purpose of a Quarterly Operational Report (QOR) is to present a snapshot of the Council progressing through the delivery of the programme of activities agreed to in that year's annual plan or long-term plan. It is designed to give a feel for how the Council is progressing and the forecast for the rest of the year.

The QOR is structured in the following manner for each activity within each one of the six groups of activity:

- The objective for that activity
- Commentary/Highlights – a high level overview of how that activity is progressing and any indications for future performance. Case studies and/or matters of interest may also be included in this section.
- Outputs/Key performance indicators – these are the annual plan/long-term plan measures for the year together with actual performance to date. "NF" (non-financial status) is the performance year to date and "E" (expected future status) is the forecast for the rest of the year. The colours are as defined below.
- Scoreboard – Outputs/Key performance indicators – this is a graphical representation of how performance is progressing and how it is forecast to progress for the rest of the year. The key is:
  - green – performance is on target for the year or is forecast to remain on target for the year
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  - grey – the performance measure has been delayed
  - black – reporting on the performance measure has not been updated or the forecast for the rest of the year has not been updated.
- Further explanation of all performance that is not "on target" is provided.

## Resource management

### Resource management planning

Preparing, adopting and maintaining comprehensive and publicly considered policies, plans and strategies that will deliver to the Taranaki community, efficient and effective management of the Council’s functions and Taranaki’s natural and physical resources.


### Commentary/Highlights

The focus has been on completing the Coastal Plan review. The Plan and appeals are now before the Environment Court and subject to mediation. Work on the Freshwater and Land Plan continues with assessments of minimum flows and allocation limits. Engagement with iwi/hapu, through the Wai Maori collaborative group, and engagement with other key stakeholders is occurring. RPS review underway with project brief approved by Council. The Government’s major Essential Freshwater programme has been released and staff are developing implementation programmes and estimating costs for the LTP. The programme represents a significant shift for the Council and the Taranaki community.

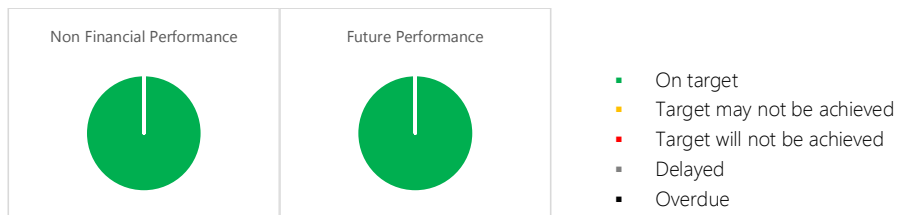
### Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
<p>Complete preparation/full reviews and interim reviews of resource management policies, plans and strategies:</p> <p>Regional Policy Statement: Commence full review in 2020/2021 as part of the development of a combined natural resource management plan.</p>	<p>The Regional Policy Statement for Taranaki (RPS) was made operative in January 2010. An interim review of the RPS has been completed, involving the preparation and targeted consultation of an Interim Review Report in 2017. Project brief to commence review of the RPS was received at the Policy and Planning Committee meeting of 1 September.</p> <p><b>N E</b></p>
<p>Regional Coastal Plan: Full review continued in 2020/2021.</p>	<p>The review is ongoing. A Proposed Coastal Plan and Section 32 evaluation report have been prepared. The Schedule 1 Plan review process continues. Hearing of submissions occurred on 24 July and 1 August 2019. A decisions report and revised Plan were adopted and publicly notified. Currently involved in Environment Court mediation regarding 10 appeals on the Proposed Plan.</p> <p><b>N E</b></p>
<p>Regional Air Quality Plan: Commence full review in 2020/2021 as part of the development of a combined natural resource management plan.</p>	<p>The review of the Regional Air Quality Plan for Taranaki was completed and made operative on 25 July 2011. A draft interim review report of the efficiency and effectiveness of that Plan has been completed with the report adopted. Decision made to commence an early review of the Air Quality Plan and work in progress as part of the preparation of a Natural Resources Plan.</p> <p><b>N E</b></p>

Resource management

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
<p>Regional Fresh Water and Land Plan: Full review continued in 2020/2021 and will form part of the development of a combined natural resource management plan.</p>	<p>The reviews of the freshwater and soil plans are ongoing. Focus is on developing and combined provisions into a new Natural Resources Plan that incorporates feedback on an earlier draft Plan, incorporates the findings of more recent engagement and investigations, is aligned with the Proposed Coastal Plan provisions, and will give effect to National Planning Standards. Preparation of the Draft Section 32 Evaluation Report has also commenced, which has been informed by further work and studies, including a review of limits for environmental flows and the effectiveness of riparian management. Progressive Implementation Programme and regional swimability targets reviewed and adopted. Consultant reports on environmental flows has been received and stakeholder/iwi workshops held. Wai Maori working group established and regularly meeting to facilitate tangata whenua engagement and input. Currently draft plan provisions being amended to give effect to National Planning Standards.</p> <p style="text-align: center;">  </p>

Scoreboard – Outputs/Key performance indications



Explanation for key performance indications other than “On target”

N/A

Resource management

Consent processing and administration

Managing the Council's resource consenting responsibilities by efficiently and effectively providing advice on consenting obligations and processing applications.

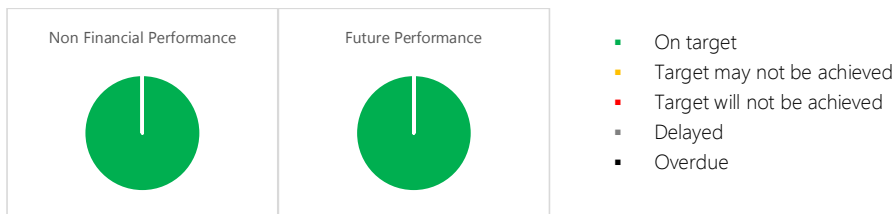
Commentary/Highlights

The number of consents processed for the quarter was similar to last year. The 100% consent processing time frame compliance has been maintained, meaning activities are not being delayed. Excellent prehearing success rate for the quarter. No appeals on decisions during the quarter.

Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
Provide accurate and timely information in response to all appropriate requests for assistance in implementing Regional Plan rules.	Timely and appropriate information has been provided for all information requests.  N E
Process and determine all of accepted resource consent applications (approximately 400 consents per annum), in compliance with the Resource Management Act 1991, including compliance with statutory timeframes, and the Council's Resource Consents Procedures document.	All of the 22 resource consent applications processed during the month, and the 116 processed during the year to date, were completed in accordance with the statutory procedures of the Act and the Council's Resource Consents Procedures documentation.  N E
Successfully defend 100% of consent decisions appealed to the Environment Court.	Decisions appealed to the Environment Court (Mt Messenger) have yet to be dealt with by the Court. There are no other appeals.  N E
Minimise the number and duration of resource consent hearings by resolving, through the pre-hearing process, at least 50% of submissions received on resource consent applications.	No applications receiving submissions have been issued in the year to date  N E

Scoreboard – Outputs/Key performance indications



Explanation for key performance indications other than "On target"

N/A

Resource management




Compliance monitoring programmes

Undertaking effective and efficient monitoring of resource consents and, where necessary, undertaking successful enforcement action.

Commentary/Highlights

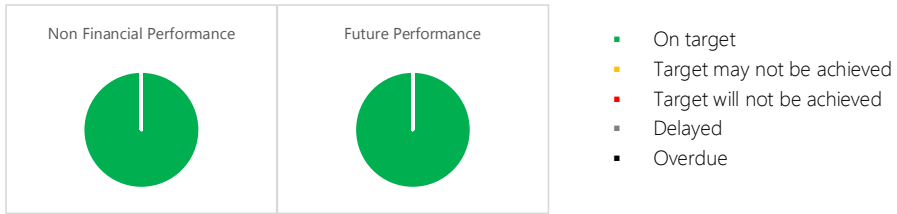
Consent holders are monitored during each year and assessed at the end of the period on their latest environmental performance and on consent compliance. The performance is publicly reported and feedback provided to each consent holder. Overall ratings for consent holders in the 2019/2020 year were found to be 81% 'high' and 17% 'good'. Individual reports covering the 2019/2020 period are being presented to the Council as they are prepared. The number and intensity of compliance monitoring in 2020/2021 continues at approximately the same level as in recent years. There are additional ad hoc programmes for hydrocarbon exploration and development activities from time to time. With the continuing downturn in the oil and gas exploration and production sector, it is likely that the number of compliance programmes and reports for this sector will remain at subdued levels. Rates of compliance within the dairy effluent sector improved during the 2019-2020 season. The annual round of inspections of dairy effluent systems for the current year began in September. Appropriate advisory and enforcement action has been undertaken and reported in response to non-compliance. Currently these actions relate to non-compliances in the municipal and industrial sectors of activity.

Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
100% of individual compliance monitoring programmes for all major consents designed, implemented and publicly reported upon (approximately 100 individual compliance monitoring programmes per annum) within the negotiated budgets and completed within nine months of the end of the monitoring period.	The implementation of 108 individual compliance monitoring programmes for the 2020/2021 monitoring period is underway. Overall the level of compliance monitoring on tailored monitoring programmes has remained static. 108 individual scheduled compliance programmes were designed and implemented in the 2019/2020 year, the majority of which are reported on annually (during 2020/2021). By the end of December 51 annual programmes in 50 reports were published. Four hydraulic fracturing and no well site reports have also been completed.  
Implement and report on 100% of recommendations arising from prior year's monitoring of resource consents subject to an individual compliance monitoring programme.	Within each compliance monitoring annual report, recommendations from previous reports are set out and their implementation, via monitoring programme design and consent reviews, is reported upon. Implementation of every recommendation is reported within the relevant report.  
Implement annual programmes for 100% of resource consents for agricultural discharges and 90% of minor industries not otherwise subject to an individual compliance monitoring programme (approximately 3,300 inspections per annum).	207 inspections of minor industrial operations have been completed. These inspections are to ensure good environmental practices are being achieved. 761 annual dairy inspections have been completed.  

Resource management

Scoreboard – Outputs/Key performance indications



Explanation for key performance indications other than "On target"

N/A



Resource management

Pollution incidents and response

Responding effectively to pollution incidents, reducing the occurrence and effects of pollution and other unauthorised incidents and, where necessary, undertaking successful enforcement action.

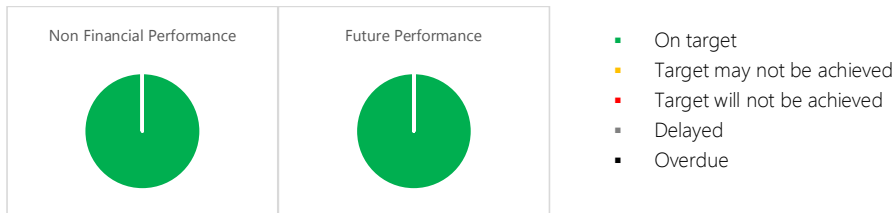
Commentary/Highlights

Implemented the Enforcement Policy and successfully used a wide range of enforcement tools, including initiating prosecutions for major non-compliance. There are currently five prosecutions in the court system, which is well above the normal level. Most have indicated guilty pleas and none are related to farm dairy effluent. There have been no significant marine oil spills.

Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
Respond to all consent non-compliance and implement appropriate advisory and enforcement actions to require 100% compliance with resource consents, regional plans and/or national environmental standards.	During compliance monitoring, 139 non-compliance with resource consent conditions were identified. Issued 18 fourteen day letters, 124 abatement notices and 35 infringement notices. No prosecutions have been initiated as a result of consent non-compliance.  N E
Respond to 100% of pollution and other complaints (generally within four hours of receipt) and where appropriate instigate control, clean up and enforcement procedures, where reasonable and appropriate, and publicly report on all environmental incidents.	Responded to all 245 reported incidents (100%) within the required timeframe. Instigated control and clean-up where required. Issued 37 fourteen day letters, 45 abatement notices and 42 infringement notices. Two prosecutions have been initiated as a result of unauthorised incidents.  N E
Administer and implement the Taranaki Regional Marine Oil Spill Response Plan as agreed with Maritime New Zealand including responding to 100% of oil spills.	Administered the Tier II Taranaki Regional Oil Spill Response Plan in accordance with the programme agreed with Maritime New Zealand. No marine oil spills have occurred that warranted actioning the Plan.  N E

Scoreboard – Outputs/Key performance indications



Explanation for key performance indications other than "On target"

N/A

Resource management



State of the environment monitoring

Monitoring the state of the environment in Taranaki to enable periodic evaluation of the state of and trends in environmental quality and of the effects of the implementation of the Council’s policies and plans.

Commentary/Highlights

Implementation of the current suite of state of the environment programmes is being delivered. Reports on the state of and trends in the ecological quality, physicochemical quality, and health of the region’s rivers and lakes, marine ecology, and air quality have been published. Support continues for the environmental data LAWA website and engagement in developing the national EMaR (environmental monitoring and reporting) programmes alongside other regional councils and the Ministry for the Environment. Continued to review the significant implications of the Government’s National Policy Statement and National Environmental Standards relating to fresh water, for the scope and scale of the current environmental monitoring and measurement programmes and future resourcing requirements. There are extensive requirements for new in-stream biotic integrity measures, suspended and deposited sediment, and dissolved oxygen; fish distribution, diversity and abundance; fish passage and barriers, and new networks of sites. Work continues towards publication of the next omnibus ‘State of the Environment’ report covering all environmental domains in the region.

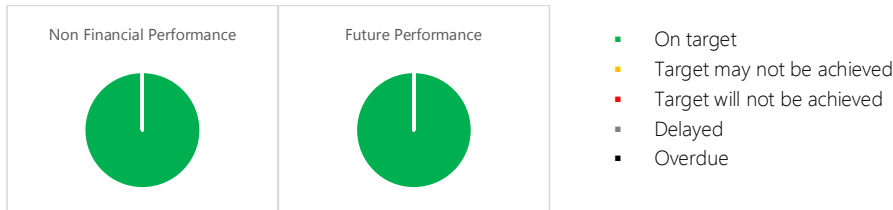
Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
<p>Implement and report on 100% of the Council’s state of the environment monitoring programmes comprising monitoring of surface fresh water quantity, levels and flows, fresh water quality, groundwater quantity and quality, coastal waters, biodiversity, air quality and land use sustainability using recognized and reputable methods of data collection, analysis and reporting in accordance with the Council’s State of the Environment Monitoring Procedures document and State of the Environment Monitoring Programmes.</p> <p>Monitor, review and where appropriate, further develop existing programmes by 30 June of each year.</p>	<p>Implementing 100% of the state of the environment monitoring programmes, in accordance with the programmes prepared for 2020/2021.</p> <p></p> <hr/> <p>The new NPS for freshwater has extend the attributes currently monitored. There are a wide range of new analyses required, at both existing and new sites (13 additional compulsory attributes, including in-stream biotic integrity measures, suspended and deposited sediment, and dissolved oxygen; fish distribution, diversity and abundance; fish passage and barriers, and new networks of sites). The work will encompass physical, chemical, ecological, and hydrological data gathering, collation, and reporting, together with the associated infrastructure support (in-stream monitoring and telemetering devices). Existing state of the environment monitoring is being delivered as scheduled, with the physicochem, MCI, Lake Rotorangi and Rocky Shore reports, commenting on data collected between 2017 and 2019, already published this year.</p> <p></p>

Resource management

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
<p>Prepare and publish the five-yearly state of the environment report. The next report is due in 2020.</p>	<p>The delivery of five yearly report has been delayed and its format changed, favouring an interactive online platform for the public to access to data, trends and the necessary narration associated with them. Options to deliver the report have been investigated and ESRI Story Maps, a currently utilised TRC product, has been decided on to produce the report. The project is in the planning stage, with a phased approach of data modules programmed over the next two years. Delivery of these modules will begin with Air this year.</p> <p><b>N E</b></p>
<p>Maintain all quality assurance programmes and information databases for hydrometric, air quality, physicochemical freshwater, terrestrial biodiversity, fresh water biological and marine biological data. IANZ registration for chemical analysis maintained.</p>	<p>All quality assurance programmes and information databases for hydrometric, air quality, physicochemical freshwater, terrestrial biodiversity, fresh water biological and marine biological data, are being maintained. The Council's contract laboratory maintains International Accreditation New Zealand accreditation for the majority of tests undertaken on behalf of the Council.</p> <p><b>N E</b></p>
<p>Maintain public access to on-line live regional data on hydrology, meteorology, soil moisture and bathing beach water quality. Live data reported on the Taranaki Regional Council's website.</p>	<p>Live on-line data is being maintained and reported for 40 hydrology sites, 29 meteorology sites, 12 soil moisture sites, 6 continuous water quality sites, 16 freshwater sites, and 14 marine bathing beach water quality sites. Webcam imagery has also been added at 7 key flood warning sites.</p> <p><b>N E</b></p>

Scoreboard – Outputs/Key performance indications



Explanation for key performance indications other than “On target”

N/A

Resource management



## Resource investigations and projects

Providing relevant research information for resource management purposes.

### Commentary/Highlights

Research and resource investigation activities have included pursuing research and funding opportunities relevant to regional council activities in conjunction with Crown Research Institutes, taking into account the Ministry of Business, Innovation and Employment research funding processes for environmental research and opportunities within the National Science Challenges - 'Our Land and Water', 'Resilience Challenge', 'Sustainable Seas', 'Deep South' (climate change drivers and effects), and 'Our Biological Heritage'. We are continuing to support studies into the effects of cadmium and fluoride on soil health and productivity, crop integrity, and animal health, and to review results and reports as they come to hand, for appropriate input into policies and implementation. Collaboration continues with Dairy Trust Taranaki in studying water usage and soil condition under varying farm management regimes. Engagement in the MBIE-funded 'Curious minds' community-based science programme has continued, with a number of individual Taranaki-based projects completed, underway, and in development.

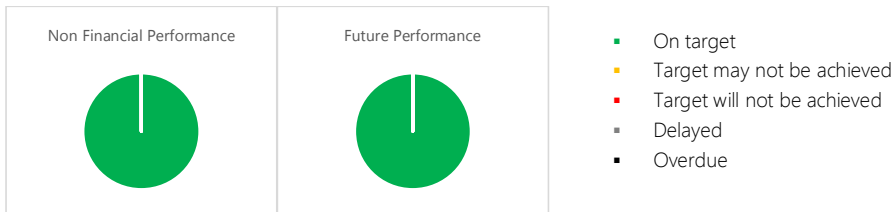
### Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
<p>Over the period of the <i>2018/2028 Long-Term Plan</i> we intend to undertake a range of resource investigations and applied research projects. These are normally undertaken in partnership with science providers, other councils or resource users but may also include a range of other parties, including iwi, as potential partners for resource investigations and projects. Specifically for 2020/2021:</p> <p>Continue to support the "best practice dairying catchments" study in the Waiokura Stream catchment, and evaluation of data arising from this project.</p>	<p>Continuing to monitor ecological and physicochemical water quality parameters within the Waiokura catchment. We are collaborating with DairyNZ in an updated review integrating land management, water quality, and stream health over the fifteen years of the 'Best Practice Dairy Catchments' programme.</p> <p style="text-align: center;"></p>
<p>Support studies into the behaviour and bioavailability of cadmium and other contaminants in agricultural soils and fertilizer.</p>	<p>Continuing in the national Cadmium Working Group, addressing food safety, soil and fertilizer management and rigorous regional soil testing, farmer and public education and farm practice management, environmental monitoring, and research. An updated national strategy for managing long-term risk from cadmium has been drafted. Studies on cadmium accumulation in a range of forage and market garden crops grown in various soils; levels of Cd within agriculture and food chain systems; options for management of soil systems and fodder pasture to control uptake; field studies into concentrations of cadmium in horticulture produce; soil emendation studies to control cadmium uptake; characterisation of cadmium binding in soil types; cadmium migration and transportation; cadmium effects upon soil rhizobia and nitrogen availability; and cadmium effects upon livestock in relation to soil and pasture cadmium, were supported. They have now resulted in publication of new fact sheets and a cadmium balance decision support tool.</p> <p style="text-align: center;"></p>

Resource management

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
<p>Engagement in “Envirolink” and other science research opportunities, to enhance knowledge base for policy development and implementation. Projects with clear relevance and benefit to Taranaki to be adopted through “Envirolink” and other funding opportunities.</p>	<p>Envirolink projects encompassing DNA detection of fish species, satellite-based sensing of coastal water quality, technology for determining flows in lowland streams, capture of satellite-based imagery, and aerial-based quantification of cyanobacteria are progressing. There is on-going engagement with MBIE’s National Science Challenges, to pursue projects of benefit to the Taranaki region, particularly the ‘Resilience Challenge’ (eg Mt Taranaki volcanic effects on agriculture, petroleum/petrochemical industry, lifelines resilience, effective civil defence amongst iwi). Endeavour Funding for a 5-year study ‘Transitioning Taranaki to a future of long-term volcanic activity’ has been approved, focusing on governance, economic, and social challenges, and studies are underway. Participating in a national research proposal on ‘regenerative agriculture’. MBIE have approved a seismic risk analysis of Taranaki data, utilizing hydrocarbon-related seismic survey exploration data. Continuing to lead participatory (citizen) science projects in Taranaki.</p> <p style="text-align: center;"> <span style="background-color: #92d050; border-radius: 50%; padding: 2px 5px;">N</span> <span style="background-color: #92d050; border-radius: 50%; padding: 2px 5px;">E</span> </p>

Scoreboard – Outputs/Key performance indications



Explanation for key performance indications other than “On target”

N/A

Resource management






## Sustainable land management plans and plant supply programme

Promoting sustainable land and riparian management by providing land management advice and information on an individual property basis and through advocacy and facilitation.

### Commentary/Highlights

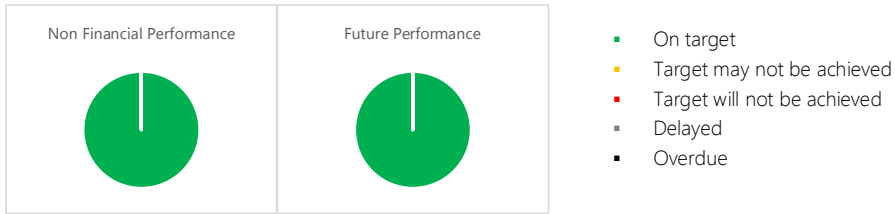
Riparian auditing training underway in preparation for auditing in the new year. Promotion of PWER011 (Jobs for Nature) funding underway to farmers with half a million native plants committed for riparian planting to date. Contracts for the planting of 900,000 PWER011 funded plants completed.

### Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
Planning services. Provide property planning services to landholders. Prepare plans covering 2,000 ha of land use capability mapping in the hill country and 30 riparian plans in the intensive water management zone.	For the month of December 2020, 6 new riparian plans were prepared. 12 have been completed for the year. For the month of December 2020, 0 farm plans and 0 agroforestry plans have been prepared. Year to date, 0 comprehensive farm plan and 0 agroforestry plans have been prepared. Plans cover 68% or 208,199 hectares of the land in private ownership in the hill country.  
Monitoring and reporting. Liaise with and monitor approximately 2,600 riparian plans and 150 farm plans and report on the implementation of the recommended fencing and planting.	As at the 5 January, there have been 4,696 liaisons (935 observations and 3,761 events). As at 31 December, a total of 5,546 km of new fencing has been erected and 3,841 km of new planting has been established, resulting in 88.6% of waterways protected by fencing and 77.3% of waterways having adequate vegetation where recommended, respectively. For the year to date, 19% of the farm plan, 2-year monitoring cycle has been completed for the year.  
Provision of advice. When requested, provide advice on sustainable land management practices within ten working days.	Responded to 5 requests in December. YTD = 53 requests responded to.  
Provide, on a cost-recovery basis, approximately 550,000 suitable plants for land stabilisation, soil conservation and riparian planting programmes.	YTD 575,848 Plants sold.  
Implement the South Taranaki and Regional Erosion Support Soil Conservation Programme including an estimated 4,000 poplar poles, 233 ha of protection forestry and construction of 10 km of retirement fencing to retire 200 ha of marginal land.	Until the end of December, 21 km of fence, 274 hectares of exotic forestry, 57 hectares of native forestry and 39ha of retirement have been approved to the value of \$792,000  

Resource management

Scoreboard – Outputs/Key performance indications



Explanation for key performance indications other than "On target"

N/A

Resource management


## Enhancement grants

Promoting the protection of the environment through the provision of targeted enhancement grants.

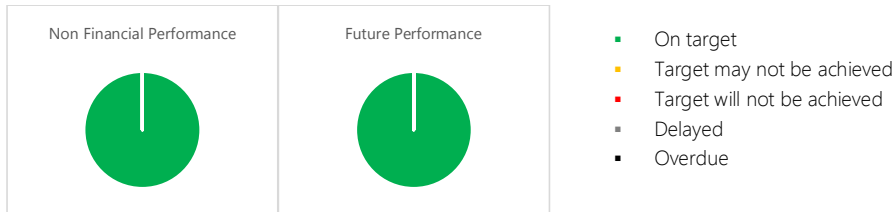
### Commentary/Highlights

Pending a final audit, the final report for the Freshwater Improvement Fund has been completed which wraps up the 2 year riparian management project.

### Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
Implement a programme using environmental enhancement grants for the protection of habitats of regional significance.	Environmental Enhancement Grants allocation is \$108,514 with \$65,457 paid out in grants. \$73,881 is allocated for wetland projects with \$62,970 paid out in grants. Willow Control Fund: \$28,998 allocated to projects in 2020/2021 with \$22,381 paid out.  

### Scoreboard – Outputs/Key performance indications



### Explanation for key performance indications other than “On target”

N/A



## Biosecurity and biodiversity

### Biosecurity and biodiversity planning

Preparing, adopting and maintaining comprehensive and publicly considered policies, plans and strategies that will deliver to the Taranaki community, efficient and effective management of the Council’s biosecurity and biosecurity functions.

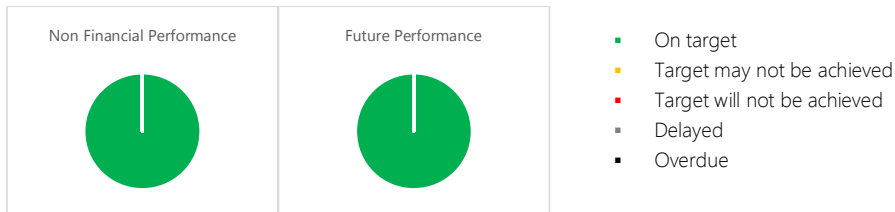
#### Commentary/Highlights

Pest management plan and strategy, delivering efficient and effective management of biosecurity functions, are in place in accordance with statutory requirements. A minor change to the strategy is well advanced.

#### Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
Undertake a partial review of the Pest Management Plan for Taranaki in 2020/2021, an interim review in 2022/2023 and a ten-year full review in 2027/2028.	<p>A review of the pest plant and animal strategies was completed with a new Pest Management Plan and TRC Biosecurity Strategy adopted in February 2018. A partial review of the Pest Plan has commenced with the public notification and consultation of a proposal to include mustelids.</p> <p><b>N E</b></p>

#### Scoreboard – Outputs/Key performance indications



#### Explanation for key performance indications other than “On target”

N/A

Biosecurity and biodiversity

Biosecurity/pest management

Controlling pest plants and animals to minimise their adverse effects on biodiversity, primary production and the regional economy and environment.

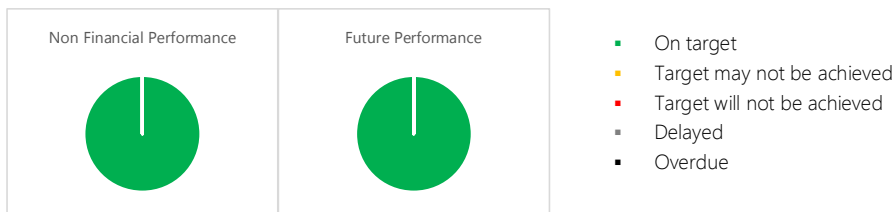
Commentary/Highlights

The self-help possum control programme’s focus has been on landowners in the Eastern and Southern zones. Public inquiries for a range of pest plant and pest animals continue to be responded to. Planning for the next phase of Old Man’s Beard control within the Waingongoro catchment continued with a contract issued.

Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
Undertake operational programmes through both the <i>Pest Management Plan for Taranaki</i> and the <i>Biosecurity Strategy</i> including: Eradication of selected pest plants.	One hundred and eighty nine active infestation sites of eradication pest plant identified (189—2019/2020). Eradication Pest Plants - direct control 84 (114) observations and 0 (1) remediation's undertaken.  N E
Inspection, monitoring and where necessary, enforcement of sustained control pest programmes.	The self-help possum control programme is currently working in the East and South zones. Pre-maintenance (wax tag) monitoring lines being laid in the South zone with 84 lines complete (YTD 273). Post trap catch monitoring programme currently sits at 9.52%. Residual Trap Catch Index (RTCI): 89 lines completed this quarter (YTD 89). 9 direction notices have been issued for possums this quarter (YTD 14). Undertook 274 pest plant inspections this quarter (YTD 575) issuing 6 Notice of Direction for sustained control pest plants this quarter (YTD 19).  N E
Raising public awareness of and respond to enquiries related to pest issues.	Continued to raise awareness through the various media outlets. Received 58 enquiries for pest animals this quarter, 13 of which relate to sustained control. 36 enquiries for pest plants received, 20 of which relate to sustained control.  N E

Scoreboard – Outputs/Key performance indications



Explanation for key performance indications other than “On target”

N/A

Biosecurity and biodiversity

**Biodiversity**

Maintaining and enhancing the indigenous biodiversity of the Taranaki region and managing pests to limit the impact on production and environmental values, including working alongside landowners and other groups and agencies in accordance with the Council's policies and its biodiversity and biosecurity strategies.

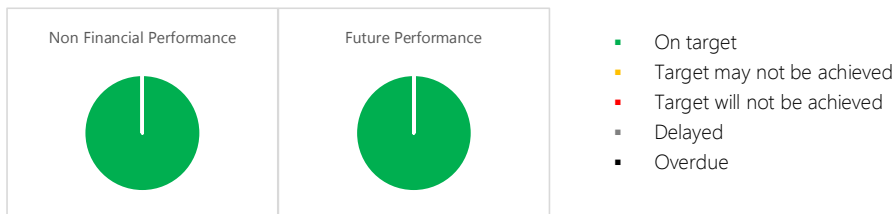
**Commentary/Highlights**

New biodiversity plans and work programmes have been prepared to protect habitat, threatened and regionally distinctive species. Field work will be undertaken on these sites throughout summer. We continued to undertake ecological assessments to identify new Key Native Ecosystems (KNEs).

**Outputs/Key performance indications**

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
Continue to assess ecosystem sites within the region on a voluntary basis, in order to identify further key native ecosystems.	<p>Twenty new ecological Condition Assessments have been carried out at natural areas within the region giving rise to the scheduling of four new KNEs. Landowners are liaised with and are encouraged to actively manage threats to biodiversity, and, where sites meet KNE criteria, landowners will be encouraged to have those sites scheduled as KNEs.</p> <p style="text-align: center;"><b>N E</b></p>
Prepare at least 20 biodiversity plans per annum for properties containing key native ecosystems (KNE).	<p>For the year to date seventeen new Biodiversity Plans have been prepared for the owners of KNE sites. In addition to this, work is progressing steadily on plans for a further seven KNEs to be completed this year.</p> <p style="text-align: center;"><b>N E</b></p>
Initiate and support implementation of work programmes on all KNE's with a biodiversity plan.	<p>An annual works programme has been prepared and approved for all KNE sites with biodiversity plans (164 plans existing at 1 July 2020 and 17 additional biodiversity plans prepared for the year to date). At the end of December 2020 work has been initiated a number of KNE sites. An additional 7+ biodiversity plans will prepared for KNE sites during the financial year, and initial works will be initiated upon approval of those plans.</p> <p style="text-align: center;"><b>N E</b></p>

**Scoreboard – Outputs/Key performance indications**



**Explanation for key performance indications other than "On target"**

N/A

Biosecurity and biodiversity

## Towards Predator Free Taranaki

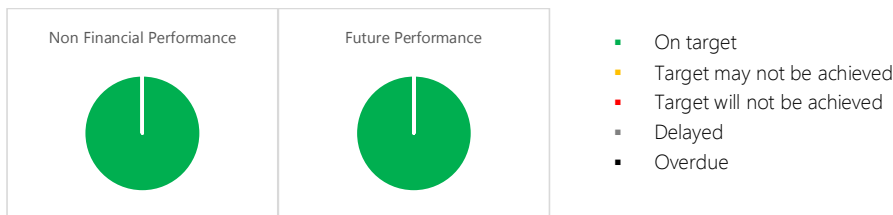
### Commentary/Highlights

Rural: mustelid trapping around in Warea and Rahoitu areas continued with traps being deployed this quarter. Urban: Traps continue to sell well with staff focusing in small gaps in the network. Zero Possums: Initial possum control completed with staff and contractors now focused on detecting and removing survivors.

### Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
Support voluntary control of rodents in urban areas aiming for 1 in 5 properties trapping or baiting.	Trap sales through both Mitre 10 stores continued along with volunteers undertaking trapping through reserves, staff continued to engage with key groups and planning for new towns trap roll out targeted.  N E
Undertake mustelid control on 20,000ha in the Okato and Warea areas.	Contracts for 2021-22 operations are underway with 90+% of sign up completed and trap being laid, good progress so far  N E
Complete/maintain possums at zero density over 4,467 ha surrounding the Kaitake range and prevent re-infestation using a virtual barrier and electronic incursion detection system.	The remove phase of "detect and remove" continues, any possums detected will be hunted down and removed. The trap barrier continued to stop possums trying to get through to the zero area. We continue to work closely with TMP MWLC and ZIP on this cutting edge project.  N E

### Scoreboard – Outputs/Key performance indications



### Explanation for key performance indications other than "On target"

N/A

## Transport

### Regional land transport planning

Contributing to an effective, efficient and safe land transport system in the public interest.

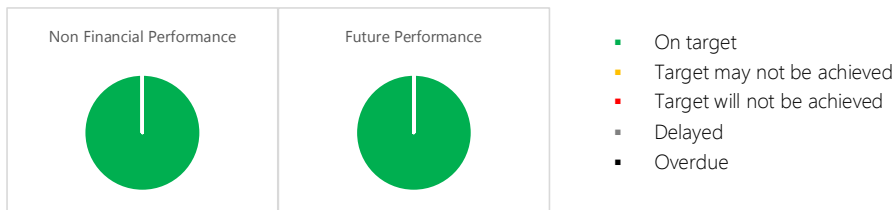
#### Commentary/Highlights

The review of the Regional Public Transport Plan 2014/2024 was finalised. The Regional Land Transport Plan for Taranaki 2021/22 - 2026/27 continues development. The new Plan is required to be adopted by 30 June 2021. To date fourteen variations have been required to the Regional Land Transport Plan 2015/16 – 2020/21. The Regional Transport Committee continues to be concerned at the relatively slow progress of delivery of state highway improvement projects and the standard of maintenance on the state highway network.

#### Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
Complete preparation/full reviews and interim reviews of the transport policies, plans and strategies:  Review, monitor and make adjustments to the regional land transport plan, as required, in accordance with statutory requirements.	Fifteen variations have been required to the Regional Land Transport Plan (RLTP).  NF E
Complete a full review of the Regional Land Transport Plan 2021/2022-2026/2027 during 2020/2021.	Review to be carried out during 2020/2021.  NF E
Complete a mid-term review of the Regional Land Transport Plan 2021/2022-2026/2027 during 2023/2024.	Review to be carried out during 2023/2024.  NF E
Review and make adjustments to the Transport Activity Procurement Strategy, as required, in accordance with statutory requirements.	The Transport Activity Procurement Strategy is current and in accordance with statutory requirements.  NF E

#### Scoreboard – Outputs/Key performance indications



#### Explanation for key performance indications other than “On target”

N/A

Transport

Passenger transport

Promoting the provision of community public transport in Taranaki and assist the transport needs of the transport disadvantaged.

Commentary/Highlights

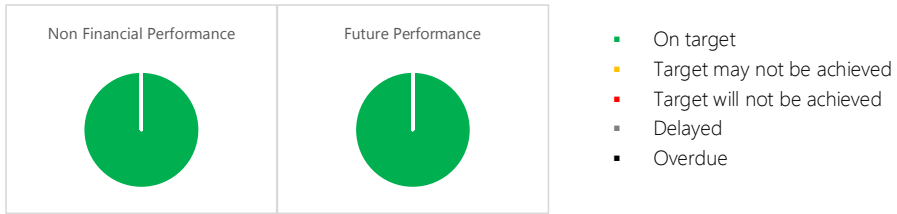
The Total Mobility Scheme continues to assist people with impairments throughout the region. The number of trips is down 8.4% this quarter compared to the corresponding quarter in 2019/2020. Existing passenger services continue to be provided throughout the region with ongoing monitoring of patronage, farebox recovery and the region's commerciality ratio. Total patronage across the services is down 15.9% on the corresponding quarter in 2019/2020. A return to Covid-19 Alert Level 2 in mid-August with physical distancing requirements and mandatory face coverings is seen as a likely cause of reduced patronage. The Bee Card, integrated ticketing system, was successfully launched in October 2020.

Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
Provide Total Mobility subsidy assistance to qualifying persons through the New Zealand Transport Agency supported Total Mobility Scheme.	<p>Provided Total Mobility Scheme services to the targeted areas. Trips for 2020/2021 total 26,632 an decrease of 4.2% (2019/2020 - 50,522). An additional 2,452 trips were made by the Ironside Vehicle Society, a decrease of 21.4% (2019/2020 - 4,714).</p> <p><b>N E</b></p>
Operate public transport services in the New Plymouth district and regional Taranaki consistent with the Regional Public Transport Plan subject to funding approval from the New Zealand Transport Agency and the availability of local share funding.	<p>Passenger transport services in the New Plymouth district and regional Taranaki were operated consistent with the Regional Public Transport Plan.</p> <p><b>N E</b></p>
Monitor the region's bus service contracts including patronage growth and fare box recovery. Monitor the commerciality ratio of the region's public transport services and publish the ratio annually.	<p>Patronage growth on the region's bus services in 2020/21 decreased 12.1% (2018/2019: -17%). Farebox recovery for 2020/21 is 32% (2019/2020: 36.9%) and the Commerciality ratio is 32% (2019/2020: 38%).</p> <p><b>N E</b></p>
Provide financial assistance to the Ironside Vehicle Society subject to funding eligibility criteria being met.	<p>Financial assistance to the Ironside Vehicle Society in 2020/2021 is set at a base level of \$65,000.</p> <p><b>N E</b></p>

Transport

Scoreboard – Outputs/Key performance indications



Explanation for key performance indications other than "On target"

N/A

Transport

## Harbour management

Promoting safe navigation for all users of the waters of Port Taranaki.

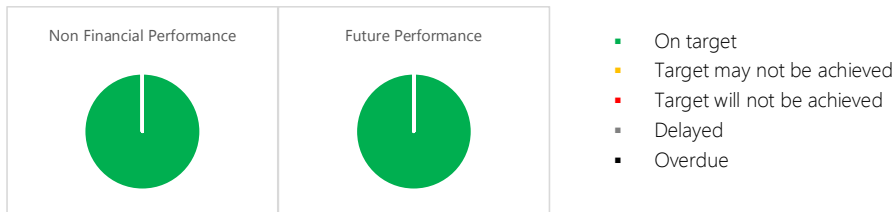
### Commentary/Highlights

There were no significant navigation and safety incidents at the port and there was compliance with the required codes and management systems.

### Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
Provide harbourmaster and harbour warden services for Port Taranaki and implement the Navigation Bylaw for Port Taranaki and Approaches. No significant breaches of the requirements of the New Zealand Port and Maritime Safety Code, including the Port Taranaki Harbour Safety Management System.	To date, no breaches have been reported. The Harbourmaster is continuing to make positive changes, including reviewing the Code document and investigating incidents.  N E

### Scoreboard – Outputs/Key performance indications



### Explanation for key performance indications other than "On target"

N/A



## Hazard management


### Civil defence emergency management

Supporting, within the Taranaki community and Iwi, an integrated comprehensive emergency management system including hazard awareness, reducing risk, maintaining readiness, and providing response and recovery capacity and capabilities.

#### Commentary/Highlights

The Taranaki Civil Defence Emergency Management (CDEM) Group has identified key areas for development, particularly the expansion and re-deployment of the Taranaki Emergency Management Office (TEMO) functions and responsibilities, to support and mentor district councils in delivery of CDEM functions at the local level, and re-structuring of previous governance and administrative delivery of CDEM activities. The Group Plan reflects the reviewed arrangements and agreements. Related work projects being implemented include identification and implementation of territorial authority responsibilities and functions; ongoing analysis of and research into hazards and risks for the Taranaki region; strategic recovery planning; responding to Government CDEM sector reform; renovation and redevelopment of the TEMO building; a comprehensive training programme; and adoption and implementation of an annual work plan incorporating governance, risk identification and reduction, organisational resilience, and capacity and capability enhancement. Taranaki CDEM Group has undertaken an internally-driven audit, to track progress since the 2015 MCDEM review, with significant improvements scored in all areas. Final financial and operational performance against the 2019/2020 workplan and budget has been reported in September 2020, including budget allowances and estimates.

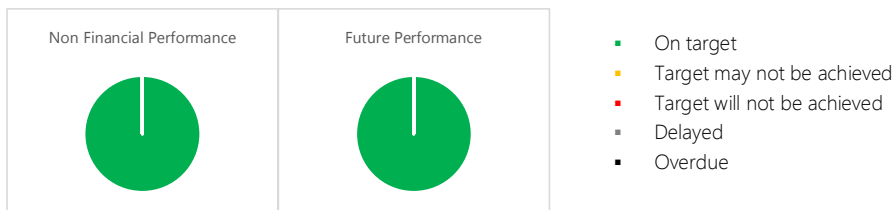
#### Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
Support the Emergency Management office to prepare, implement, monitor and report upon the Taranaki Civil Defence Emergency Management Annual Business Plan.	The Group has adopted an annual business plan and budget for 2020/2021, specifying roles, responsibilities and targets for the year, and has received a report on delivery of the 2019/2020 Annual Business Plan. Six key activity areas have been identified in the 2020/2021 Business Plan: (i) strong governance arrangement and accountability, including work plans and programmes together with administration of advisory groups, the Co-ordinating Executive Group (CEG) and the CDEM Group meetings. (ii) disaster risk identification and reduction, management, strengthening risk planning and integration; (iii) organisational resilience, focusing operational systems and protocols for emergency operations/coordination centres at district level; (iv) community resilience through volunteer management protocols, public education, community resilience plans and a Group resilience strategy; (v) capability development through recruitment, education and training courses; and (vi) response and recovery arrangements through planning, and appointment of local Controllers, Recovery Managers and CIMS function leads. Regular meetings of council CDEM managers are receiving progress reports on individual council activities supporting the annual business plan. A proposed work plan and resourcing for 2021/2022 has been adopted by the CDEM Group, for LTP consideration by individual councils  

Hazard management

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
<p>Support the Emergency Management office to implement, monitor and report upon the operative Civil Defence Emergency Management Group Plan for Taranaki, and draft, and notify the next Plan in accordance with the statutory review period.</p>	<p>The current Group Plan was adopted in June 2018 and came into effect on 1 July 2018. A revised CDEM Group strategy, vision and priorities were incorporated into the Plan. The next statutory review of the Plan is due in 2023. Work on a recovery strategy in Taranaki is continuing, arising from a new requirement under the CDEM Act to include this element within group plans. The Annual Report for CDEM activities and performance in 2019/2020 has been presented to the CEG and Group. Related work projects arising from the current Group Plan have been subsequently implemented, including receipt and adoption of a review of TA responsibilities and functions, a stocktake of hazards and risks research undertaken for the Taranaki region, a stocktake of regional readiness, and risk reduction, risk and hazard identification workshops. The Group considered a budget for 2021-2022 at its last meeting</p> <p style="text-align: center;"><b>N E</b></p>
<p>Support the Emergency Management office to maintain, review, and as needs be, implement effective response and recovery procedures to minimise harm or damage to people and property arising from emergency events.</p>	<p>A regional recovery programme following the covid-19 epidemic continues in effect, supported through the TEMO office and Group. Work by TEMO supporting New Plymouth, Stratford and South Taranaki District Councils, for the support of EOCs and welfare delivery, continues. Delivery of training for EOC and ECC staff has been undertaken and future course sessions are scheduled. Appointments and development of Local Controllers, Welfare Managers, and Local Recovery Managers are being maintained. The CDEM Group's response and recovery framework is predicated on local response and recovery delivery (via District Council Emergency Operations Centres), and regional coordination through the Taranaki Emergency Management Office (TEMO) and the regional Emergency Coordination Centre. Specification and development of operational systems for use during response and recovery is underway and implemented, including review of standard operating procedures. Emergency operations systems are being configured for the new operating model. A tsunami response plan review is underway. An MOU between TRC and the TEMO office clarifies expectations around roles and staff deployment resourcing in the event of incidents and emergencies. There have been a series of workshops examining and agreeing on the respective roles and responsibilities of member councils and TEMO.</p> <p style="text-align: center;"><b>N E</b></p>

Scoreboard – Outputs/Key performance indications



Explanation for key performance indications other than “On target”

N/A

Hazard management






### Flood management and general river control

Providing accurate and timely flood warnings, providing flood control advice and undertaking minor works and associated actions (audit of regional plans and consent applications to ensure activities are undertaken without an increased risk of flooding and river erosion) to minimise and prevent damage by floods and river erosion.

#### Commentary/Highlights

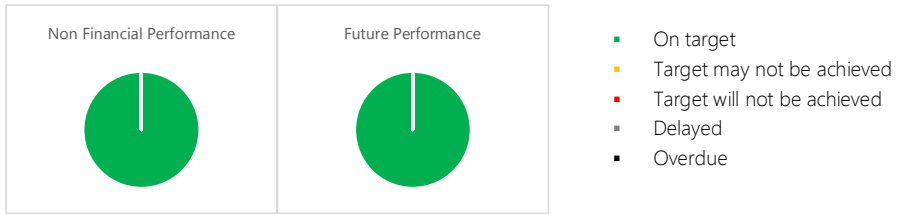
Information from rainfall and river level monitoring systems was provided. Provided advice to landowners on a range of river/stream flood control advice and drainage related matters. The willow control programme is active and is being utilised well. Continued to provide specialist advice on statutory and technical matters.

#### Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
Effectively monitor rainfall and river levels and issue timely flood warnings. Maintain continuous monitoring systems (100% functional) and issue timely warnings for all cases, where necessary, in accordance with the Flood Event Standard Operating Procedure (approximately 35 warnings per annum).	Meteorological and hydrometric monitoring sites were maintained to high level of operational standard, with no significant maintenance works required. All incoming telemetry data is monitored continuously and responded to in accordance with the procedures for the monitoring of severe weather and flood events. Twenty severe weather watch alerts (18 in 2019-2020) and six warnings (6 in 2019-2020) have been received from MetService in the year to December. The Council has issued one flood warning in this period (none issued in 2019-2020).  
Undertake minor emergency river and flood control works when necessary.	No emergency works requiring funding have been required this quarter.  
Respond to 100% of requests for drainage, river and flood control advice and assistance within ten working days.	Provided advice, predominantly to farmers, on a range of requests for general advice on works in streams.  
Facilitate river control projects for the environmental enhancement of the region's waterways.	The willow control programme continues, focusing on removal of willow in riparian areas to improve flood flows and enhance riparian vegetation.  
Resource management planners are given advice to ensure regional plan rule and consent conditions will not increase the risk of flooding or river erosion.	Advice has been given on a range of matters regarding the interpretation of regional plan rules and to provide technical assistance during the processing of resource consent applications. Work has been completed to draft a new flood protection bylaw, to protect TRC flood protection assets. Public consultation has been completed. The bylaws were approved by the Council at hearing.  

Hazard management

Scoreboard – Outputs/Key performance indications



Explanation for key performance indications other than "On target"

N/A

Hazard management

### River control schemes

Managing and maintaining river control scheme works to accepted design standards to minimise and prevent damage by floods and river erosion.

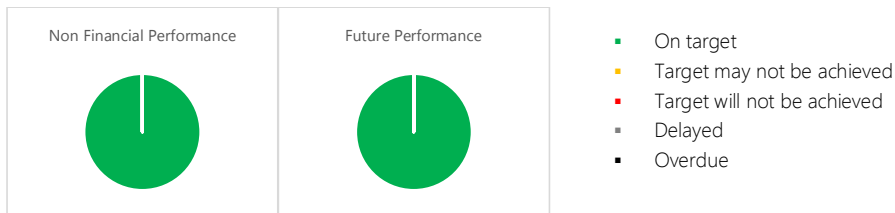
#### Commentary/Highlights

All schemes (Lower Waiwhakaiho, Lower Waitara, Okato, Opunake, and Waitotara) have been maintained as per their respective asset management plans. A range of maintenance works have been occurring across the schemes including vegetation clearance within the flood channel and asset maintenance works.

#### Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
Manage all flood and river control schemes across the region in accordance with asset management plans or management plans; including Lower Waiwhakaiho, Lower Waitara, Opunake, Okato and Waitotara Schemes.	All schemes have been managed as per their asset management plans.  N E
Manage other minor river schemes to standards as agreed with scheme participants.	No works were planned for this period.  N E

#### Scoreboard – Outputs/Key performance indications



#### Explanation for key performance indications other than “On target”

N/A

## Recreation, culture and heritage




### Regional gardens

Ensuring that Hollard Gardens, Tupare and Pukeiti are maintained and enhanced as regionally significant recreational and heritage amenities.

### Commentary/Highlights

This quarter is where staff focus on a high standard of presentation for the spring flowering season. Our visitor numbers across the three gardens are approximately 25% up on last year, this is primarily due to increased domestic tourism. At Pukeiti good progress was made with the construction of the fitness trails. The Piwakawaka Family Hut was open for bookings and is very popular with bookings through to 2022. Good progress is being made with the stone sculpture. At Hollard's we resurfaced the Family Corner playground

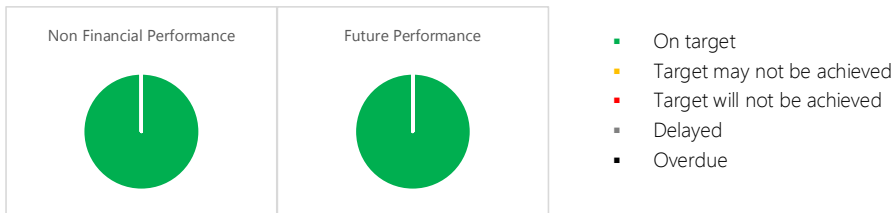
### Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
Provide three regional gardens (Tupare, Hollard Gardens and Pukeiti) for free general use by the regional community. Tupare, Hollard Gardens and Pukeiti open to the public daily with unrestricted free general access.	The gardens are open all day every day for free general use by the regional community and visitors. If the country were to go back to level 4, the gardens would close however critical maintenance would continue with all required safety measures in place.  
Encourage the increased use of the regional gardens by the community for recreational purposes and for specific events.	Visitor numbers for last year: Pukeiti 53,320, Tupare 41,616 and Hollard Gardens 21,673. Events for the year: Pukeiti 63, Tupare 25 and Hollard Gardens 32. Workshops and summer events up till the lockdown were well attended. It is pleasing to note that despite the lock down there was an overall increase in visitor numbers to Hollard Gardens. Both Tupare and Pukeiti had a drop in visitor numbers and in particular, Pukeiti's drop was associated with an improvement in more accurate counting methodologies.  
Continue implementing the Pukeiti asset management plans focusing on completing the upgrade works in the Zone 1 Garden, the rhododendron collection in Zone 2 and recreational development opportunities in Zone 3. Priority tasks to be completed include: <input type="checkbox"/> completing the Lodge and surrounds landscaping <input type="checkbox"/> continuing the enhancement of the garden and the rhododendron collection. <input type="checkbox"/> continuing the implementation of the Plant Collection Plan <input type="checkbox"/> refurbishing the plant borders <input type="checkbox"/> upgrading the outer ring tracks <input type="checkbox"/> completing the fit-out of the Lodge <input type="checkbox"/> continuing the growth in recreational activities with the construction of a fitness trail.	Lodge landscaping is complete apart from the art work. The construction of the Family Hut is complete. The tramlines tracks are on hold until all regulatory and compliance matters are covered off. As we move to the next stage of development, new interpretation is being planned with a focus on predator free Kaitake and historical information on the area. Regarding the Pukeiti Rainforest Bridge, we have selected the finalized design and are working through the next steps.  

Recreation, culture and heritage

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
Continue implementing the Hollard Gardens asset management plans focusing on: □ installing a new toilet to meet demand in the Family Corner area □ installing new stylized play equipment.	Extended the carpark to allow for more capacity.  N E
Continue implementing the Tupare asset management plans focusing on: □ continuing to improve the story telling □ completing new art installation.	New thematic booklets have been produced to enhance the visitor experience. New Mary Lane and Richard Walk story panels have been produced and installed  N E
Review and adopt asset management plans for Tupare, Hollard Gardens and Pukeiti by 31 October 2020.	Asset management plans for the three gardens have been completed and adopted for the 2021/2031 period  N E

Scoreboard – Outputs/Key performance indications



Explanation for key performance indications other than “On target”

N/A

Recreation culture and heritage

## Yarrow Stadium

Facilitating the continued maintenance and development of Yarrow Stadium.

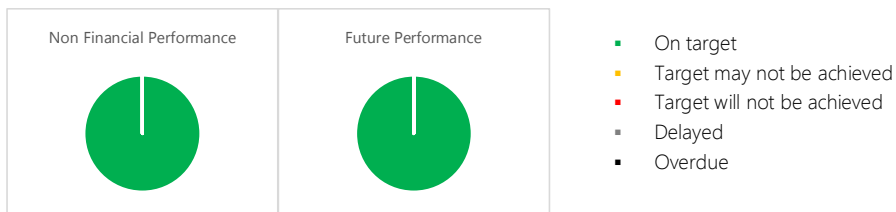
### Commentary/Highlights

Following on from the decisions made in 2019/2020 Annual Plan for the up to \$50m repair and refurbishment project, the Council has moved into implementation mode. Contracts have been let for the work on the West Stand - this commenced prior to Christmas. Tenders and contracts are being secured for the new field, the new lighting, the demolition of the East Stand and the design of the new East Stand.

### Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
Contract with New Plymouth District Council for the operation and management of Yarrow Stadium.	The Trust and the New Plymouth District Council have a management agreement for the operation and management of Yarrow Stadium. New Plymouth District Council are operating and managing Yarrow Stadium under this agreement.  N E
Undertake asset management planning for the future maintenance, enhancement and development of Yarrow Stadium.	A joint committee of the Council and the New Plymouth District Council have developed and adopted a strategic plan and associated 2015/2025 asset management plan for the long-term development of Yarrow Stadium. Asset management planning for 2018/2028 is on hold while the solutions for the results of earthquake assessments on the two Stands are implemented.  N E
Provide regional funding for the future maintenance, enhancement and development of Yarrow Stadium.	Regional funding is provided to the Taranaki Stadium Trust for long-term maintenance and development at Yarrow Stadium. The 2020/2021 funding is being used for the repair and reinstatement programme.  N E

### Scoreboard – Outputs/Key performance indications



### Explanation for key performance indications other than “On target”

N/A



## Regional representation, advocacy and investment management






### Investment management

Ensuring that the equity, property and treasury investments owned by the Council are efficiently managed.

### Commentary/Highlights

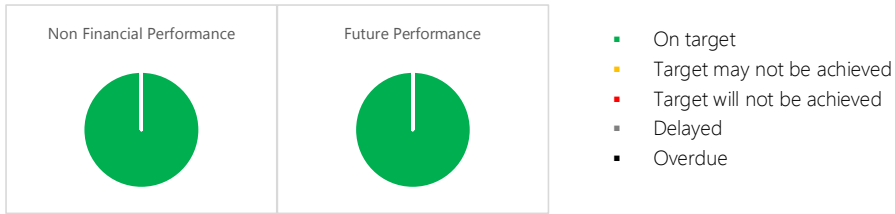
Investment management activities are working well within defined policies and procedures. The annual general meeting of Port Taranaki Ltd has occurred with three directors being reappointed. The current low interest rate environment is a positive for the borrowing programme but a negative for our investment portfolio.

### Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
Consider Port Taranaki's annual statement of corporate intent and monitor performance against established targets.	The 2020/2021 SCI was considered in August 2020. Port Taranaki Ltd's performance was reviewed when considering their 2019/2020 Annual Report in September 2020. Performance for the half year to 31 December 2020 will be reviewed in February 2021. Performance against standards set in the statement of corporate intent is reported in the annual report.  
Appoint Directors at Port Taranaki Ltd's annual general meeting and at other times as required.	Directors Krogh, MacLeod and Meads were reappointment to the Board of Directors at the 30 September 2020 Port Taranaki Ltd annual general meeting (AGM).  
Undertake on-going liaison with port company directors and management.	Regular formal and informal briefings and discussions occurred between the company/board and the Council throughout 2020/2021.  
Manage and, where appropriate, divest leasehold land in accordance with the Investment Policy.	Leasehold land is managed in accordance with the Council's Investment Policy. A 5% return from leasehold land rentals is expected in 2020/2021. 5 Mangorei Road has been sold in compliance with the Investment Policy.  
Manage and maximise returns from treasury investments in accordance with the Investment Policy.	All treasury investments are in accordance with the Council's Investment Policy.  

Regional representation, advocacy and investment management

Scoreboard – Outputs/Key performance indications



Explanation for key performance indications other than "On target"

N/A

Regional representation, advocacy and investment management




## Community engagement

Promoting community awareness, understanding and involvement with the Council's functions and activities, together with demonstrating the value and contribution of the work of the Council to the region.

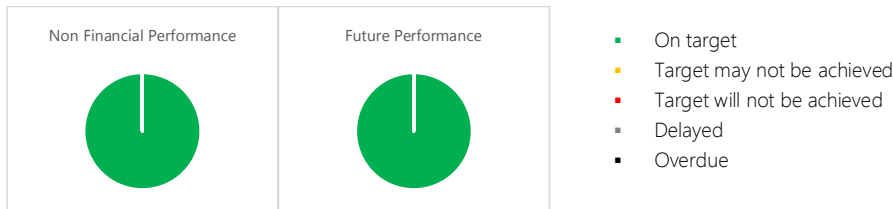
### Commentary/Highlights

The implementation of the digital and social media strategy is the primary focus and good progress is being made on all fronts. A lot of time and energy has gone into supporting the Towards Predator-Free Taranaki project. The 2020 Environmental Awards have been successfully completed. The Long-Term Plan Consultation Document and engagement/consultation processes are a current focus. The environmental education programme continues to be busy and successful. The Enviroschools programme has been built into existing programmes with demand continuing to outstrip supply - there is a list of schools wishing to join the programme.

### Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
Engage with the community across a range of channels including print and digital publications, news media, websites, mobile and social media. Produce five bi-monthly editions of the Council newsletter and publish through print and digital channels.	A range of communications activities have been undertaken to support Council programmes. The website is being maintained and enhanced, and social media activity continues to grow with 4,648 followers on Facebook. Three issues of Talking Taranaki newsletter have been published to date. 17 environmental awards were presented in October 2019.  
Implement the environmental awards programme.	The 2020 environmental awards were presented on 29 October 2020 to 17 winners.  
Provide an on-going environmental education programme for school children and the wider community including class visits, field trips, the Pukeiti Rainforest School and support for community projects.	The Education Officer has delivered 150 education sessions/field trips involving 6189 students (including the Gardens' School Programmes), 29 planning meetings, 4 professional development sessions and 3 issues of the SITE newsletter. During the Covid-19 lockdown online resources were developed including a series of videos on Backyard Biodiversity (2 per week). The Enviroschools Regional Coordinator and facilitator are supporting the Enviroschools programme.  

### Scoreboard – Outputs/Key performance indications



### Explanation for key performance indications other than "On target"

N/A

Regional representation, advocacy and investment management


### Advocacy and response

Advocating and responding, on behalf of the Taranaki community, to initiatives proposed by other agencies, when those initiatives affect the statutory responsibilities of the Council or relate to matters of regional significance, which are of interest or concern to the people of Taranaki.

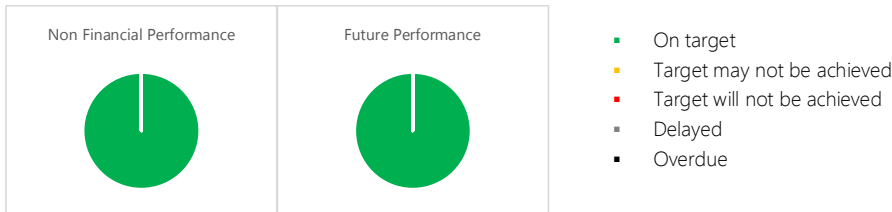
### Commentary/Highlights

To date only one submission has been prepared and approved. This is much lower than normal and reflects the lower number of opportunities and available resources. Senior staff also continue to be involved in various forums associated with policy development, advocacy, liaison, and in response to a range of national proposals.

### Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
Assess the implications of policy initiatives proposed by other agencies including discussion documents, proposed policies, strategies, plans and draft legislation, and respond within required timeframes on approximately 20 occasions per year.	Related to the other measure, external activity at this time of year means that there has been no significant activity in this regard.  

### Scoreboard – Outputs/Key performance indications



### Explanation for key performance indications other than “On target”

N/A

Regional representation, advocacy and investment management

## Governance

Facilitating public representation by the Council and its committees in accordance with statutory requirements.

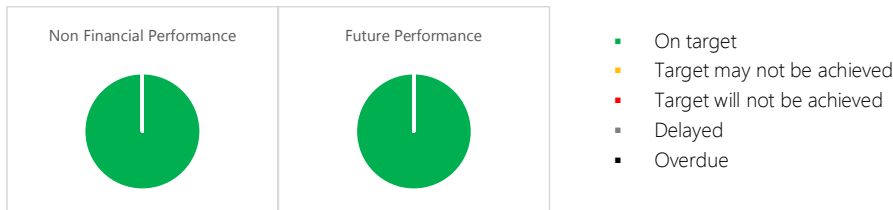
## Commentary/Highlights

The Council remains on target with all its statutory governance and engagement obligations. The 2019/2020 Annual Report was adopted on 22 September 2020 (one of the first in the country). The 2019 elections have been completed. Induction for Iwi representatives is complete. The focus is currently on the preparation of the 2021/2031 Long-Term Plan with a Councillor workshop held in December. Audit and finalisation processes are on target for consideration in February 2021.

## Outputs/Key performance indications

PERFORMANCE MEASURE	ACTUAL PERFORMANCE
Completion of statutory planning and reporting documents (Long-Term Plan, Annual Plans and Annual Reports) within statutory requirements.	Statutory planning and reporting accountability documents have all been prepared within statutory requirements and timeframes. The 2019/2020 Annual Report was adopted on 22 September 2020. The 2021/2031 Long-Term Plan is under preparation.  N E
Preparation of agendas and minutes and the conduct of meetings in accordance with Standing Orders and the Local Government Official Information and Meetings Act 1987.	All meetings are conducted in accordance with adopted Standing Orders and the Local Government Official Information and Meetings Act 1987. Agendas are publicly available at least 48 hours before each meeting and minutes are prepared and adopted for all meetings.  N E
Conduct of triennial local authority elections without any need for re-conduct of the elections as a result of judicial review.	The 2019 local authority elections were held in October 2019. The elections were successfully completed with no appeals or judicial reviews held. The next local authority elections are in October 2022..  N E

## Scoreboard – Outputs/Key performance indications



## Explanation for key performance indications other than “On target”

N/A

[www.trc.govt.nz](http://www.trc.govt.nz)



**Date** 15 February 2021

**Subject:** **Public Transport Operational Update for the Quarter Ending 31 December 2020**

**Approved by:** M J Nield, Director Corporate Services  
S J Ruru, Chief Executive

**Document:** 2694227

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### **Purpose**

1. The purpose of this memorandum is to provide members with an operational report on public transport services for the quarter ending 31 December 2020.

### **Recommendations**

That the Taranaki Regional Council:

- a) receives the report *Public Transport Operational Report for the Quarter Ending 31 December 2020*
- b) notes the operational report of the public transport services for the quarter ending 31 December 2020.

### **Background**

2. As part of the Council's responsibility for promoting an integrated, safe, responsive and sustainable land transport system within the region, a range of activities is required. These include provision of public transport services and the Total Mobility Scheme.

### **Covid-19**

3. With the national move to Level 1, and the implementation of the new Bee card system (tag-on/ tag-off), there is no requirement for physical distancing on buses. Contact tracing is made possible with Bee card passenger registrations.

### **Bee Card**

4. The Bee card ticketing system went live on 19 October 2019 with free travel offered for the preceding two weeks, from 5 October 2019 to 17 October 2019 .

**Citylink (New Plymouth, Bell Block, Waitara and Oakura) bus service**

5. Patronage for the quarter decreased 3.5%. Total patronage was 119,020 down 4,272. Increases were in adult, up 3,342 or 44%, and access up 412 or 40%. Decreases were across all remaining patronage types, with tertiary down 592, or 59%, seniors/SuperGold down 4,622 trips or 29%, Community Services cardholders down 4,382 or 39%, WITT trips down 2,260, or 48% and transfers down 8,534 or 57%.
6. Total revenue was \$132,481 compared to \$208,327 for the same period last year, a difference of \$75,846 or 36.4%.

**Connector (Hāwera to New Plymouth) bus service**

7. Patronage for the quarter decreased 4%. A total of 5,662 trips were recorded compared to 5,899 in the same quarter 2019/2020. Increases in patronage were recorded in child trips, 377, or 134%. All other patronage types showed a decrease. Community Services cardholders were down 383 trips or 60%, seniors and SuperGold card patronage were both down 44%, or 54 trips and 406 trips respectively. Tertiary trips were down 255, or 69%, WITT trips were down 636, or 34%, TDHB trips were down 178, or 27% and (paid) training trips were down 35, or 65%.
8. Total revenue was \$43,187 compared to \$50,838 for the same period last year, a difference of \$7,651 or 15%.

**Southlink services**

9. Patronage for the December quarter was up for the Ōpunake to Hāwera service however was down on the Waverley to Hāwera and the Ōpunake to New Plymouth services in comparison to the same period last year. The performance of each service is detailed below.
10. Waverley-Pātea-Hāwera patronage was 187, down 150 or 45% compared to the same quarter last year. The most significant differences were adult patronage down 67 or 45% and SuperGold Cardholder patronage down 87 or 47%.
11. Total revenue was \$393 compared to \$708 for the same period last year, a difference of \$315 or 45%.
12. Ōpunake to Hāwera patronage was 143, an increase of 46 or 47% compared to the same quarter last year. Adult patronage was down 24 or 41%; however, SuperGold cardholders were up 68 or 213%.
13. Total revenue was \$181 compared to \$139 for the same period last year, an increase of \$42 or 30%.
14. Patronage for the Ōpunake to New Plymouth service was 301, down 36, or 12% compared to the same quarter last year. Child patronage showed a significant increase of 66 or 220%; however, under-5 child trips were not differentiated so are likely the reason for this. Adult patronage was down 39 or 48% and SuperGold cardholder patronage was down 27 or 18%.
15. Total revenue was \$629 compared to \$958 for the same period last year, a decrease of \$329 or 34%.



### **SuperGold Card**

16. SuperGold Cardholder patronage for all services for the quarter totalled 8,905 compared with 15,789 trips, a decrease of 6,884 or 44%, on the same period last year.

### **Total Mobility Scheme**

17. Trips for the quarter were 13,533 down 448 or 3% on the same period last year.

### **Ironside Vehicle Society Incorporated**

18. Total trips for the quarter were 1,236, down 1142 or 48% on the same period last year. Of the total, 485, or 73% involved wheelchair passengers.

### **Financial considerations—LTP/Annual Plan**

19. This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

### **Policy considerations**

20. This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the Local Government Act 2002, the Resource Management Act 1991 and the Local Government Official Information and Meetings Act 1987.

### **Iwi considerations**

21. This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the Local Government Act 2002) as outlined in the adopted long-term plan and/or annual plan. Similarly, iwi involvement in adopted work programmes has been recognised in the preparation of this memorandum.

### **Community considerations**

22. This memorandum and the associated recommendations have considered the views of the community, interested and affected parties and those views have been recognised in the preparation of this memorandum.

### **Legal considerations**

23. This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

### **Appendices/Attachments**

Document 2696768: Executive Audit & Risk PT Operational Overview

## Public Transport Programme Update – Operational Overview December 2020

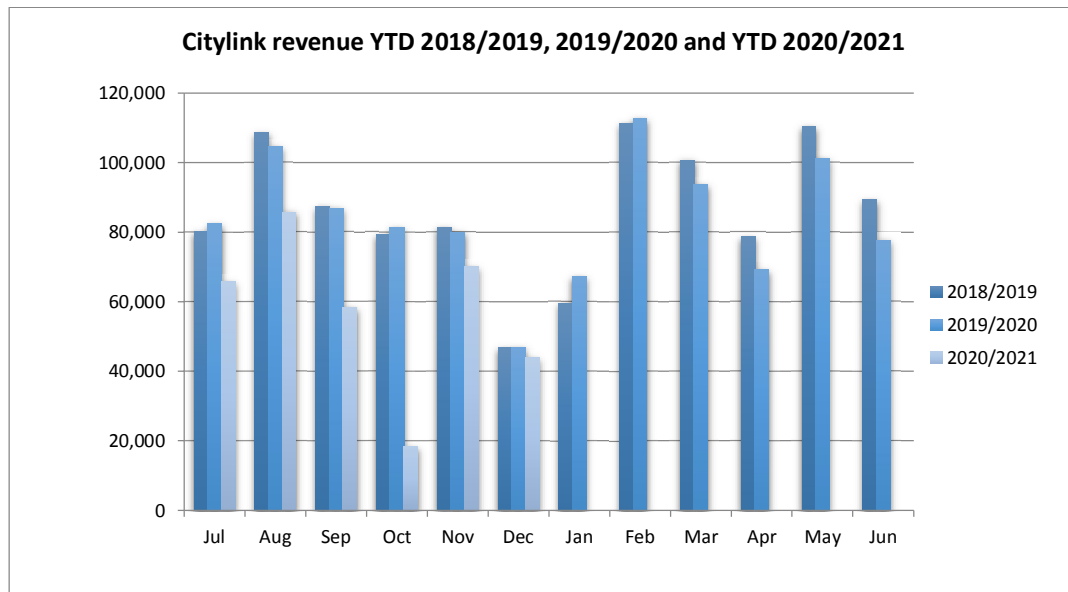
### Citylink Performance

	Dec 2020 quarter	Dec 2019 quarter	19/20 vs 20/21
Patronage	119,020	123,292	-3.5%
Revenue	\$132,481	\$208,327	-36.4%
Farebox*	20.6%	31.4%	-34.4%
Commerciality*	21.3%	32.8%	-35.1%

\*Ratios exclude indexation costs

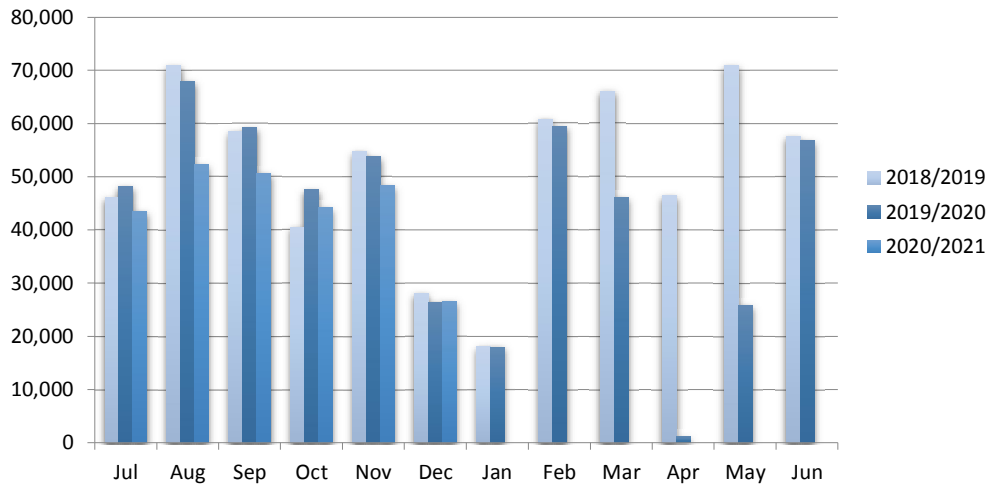
### Citylink Patronage

	Dec 2020 quarter	Dec 2019 quarter	19/20 vs 20/21
Adult	10,874	7,532	44%
Child/Student	59,745	69,966	-15%
Senior/SuperGold	11,501	16,123	-29%
Tertiary	406	998	-59%
Comm Services Card	6,954	11,336	-39%
Access	1,438	1,026	40%
WITT	2,487	4,747	-48%
Transfer	6,464	14,998	-57%
Promotion	19,151	901	2026%

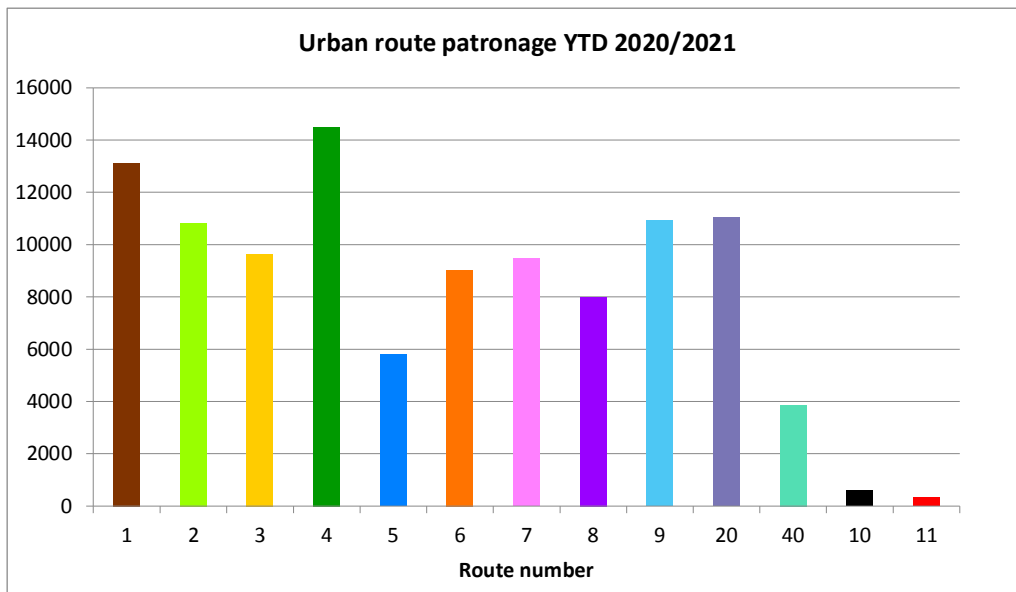


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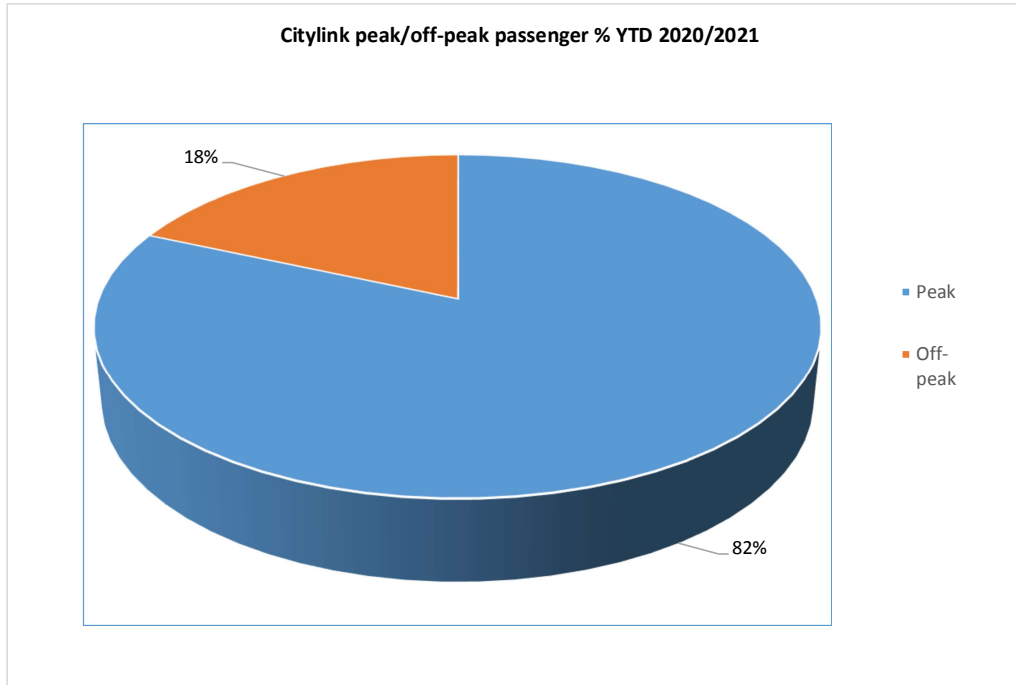
**Citylink patronage 2018/2019, 2019/2020 and YTD 2020/2021**



**Urban route patronage YTD 2020/2021**



#2696769



**Connector Performance**

	Dec 2020 quarter	Dec 2019 quarter	19/20 vs 20/21
Patronage	5,662	5,899	-4.0%
Revenue	\$43,187	\$50,838	-15.0%
Farebox*	52.1%	60.3%	-13.6%
Commerciality*	52.1%	64.9%	-19.7%

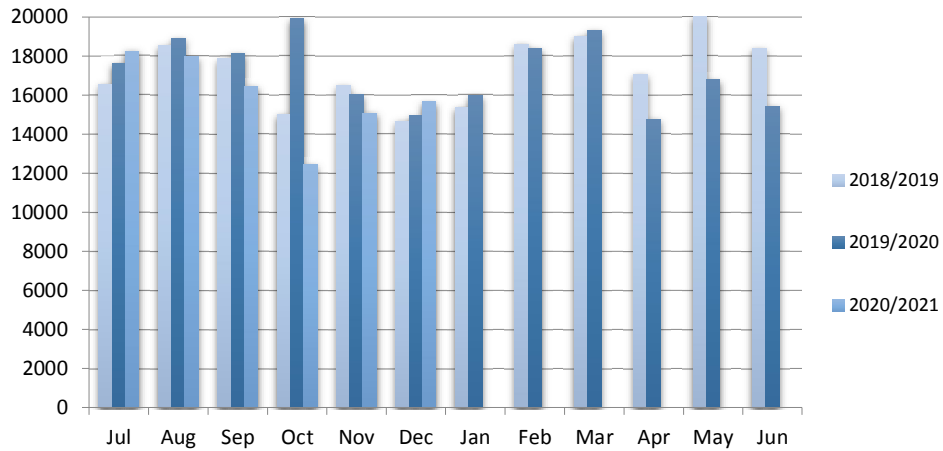
\*Ratios exclude indexation costs

**Connector Patronage**

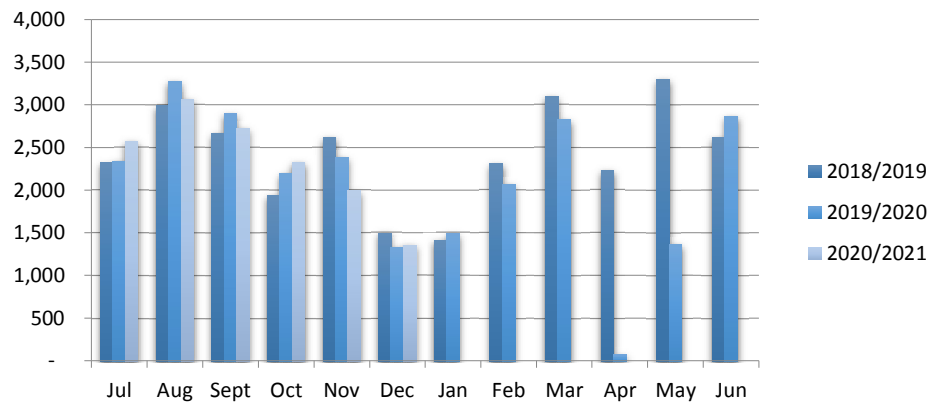
	Dec 2020 quarter	Dec 2019 quarter	19/20 vs 20/21
Access	113	0	N/A
Adult	1,102	1,108	-1%
Beneficiary	259	642	-60%
Child	309	132	134%
Seniors	70	124	-44%
SuperGold	519	925	-44%
TDHB	481	659	-27%
Tertiary	117	372	-69%
WITT	1,247	1,883	-34%
Training (Paid)	19	54	-65%
Promotion	1426	0	N/A

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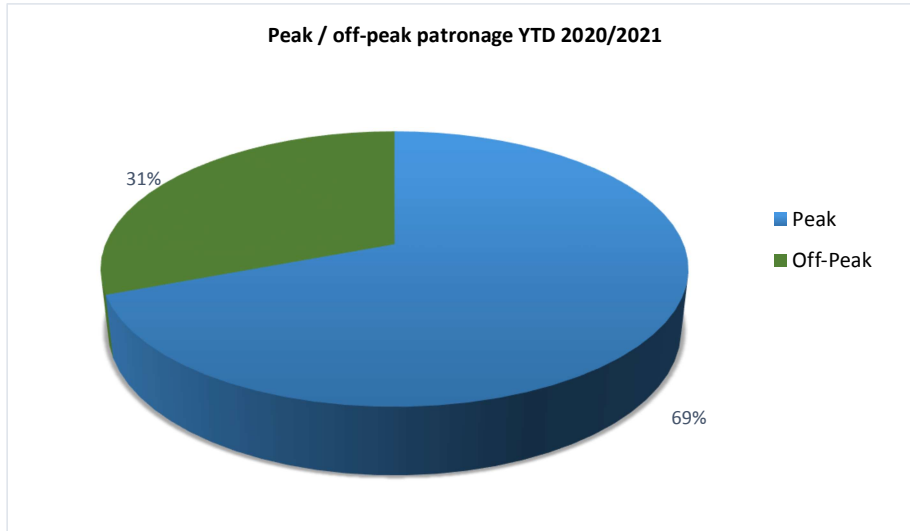
**Connector revenue 2018/2019, 2019/2020 and YTD 2020/2021**



**Connector patronage 2018/2019, 2019/2020 and YTD 2020/2021**



#2696769



### Southlink performance

#### Waverly to Hawera

	Dec 2020 quarter	Dec 2019 quarter	19/20 vs 20/21
Patronage	187	337	-45%
Revenue	\$393	\$708	-45%
Farebox*	3.46%	10.59%	-67%
Commerciality*	3.46%	10.59%	-67%

\*Ratios exclude indexation costs

#### Opunake - Kaponga - Manaia - Hawera

	Dec 2020 quarter	Dec 2019 quarter	19/20 vs 20/21
Patronage	143	97	47%
Revenue	\$181	\$139	30%
Farebox*	5.37%	4.76%	13%
Commerciality*	5.37%	4.76%	13%

\*Ratios exclude indexation costs

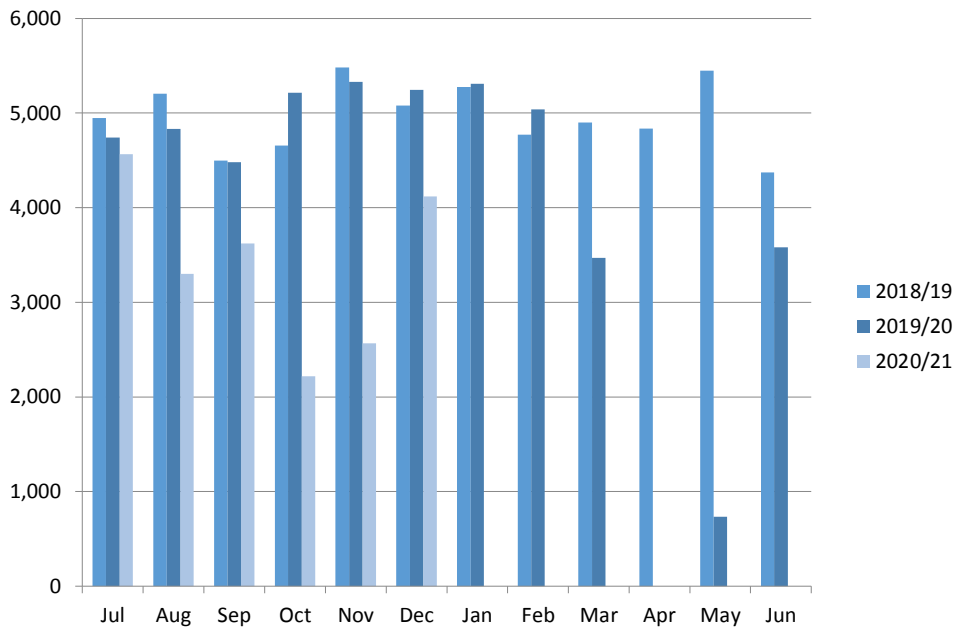
#### Opunake to New Plymouth

	Dec 2020 quarter	Dec 2019 quarter	19/20 vs 20/21
Patronage	265	301	-12%
Revenue	\$629	\$958	-34%
Farebox*	11.27%	21.02%	-46%
Commerciality*	11.27%	21.02%	-46%

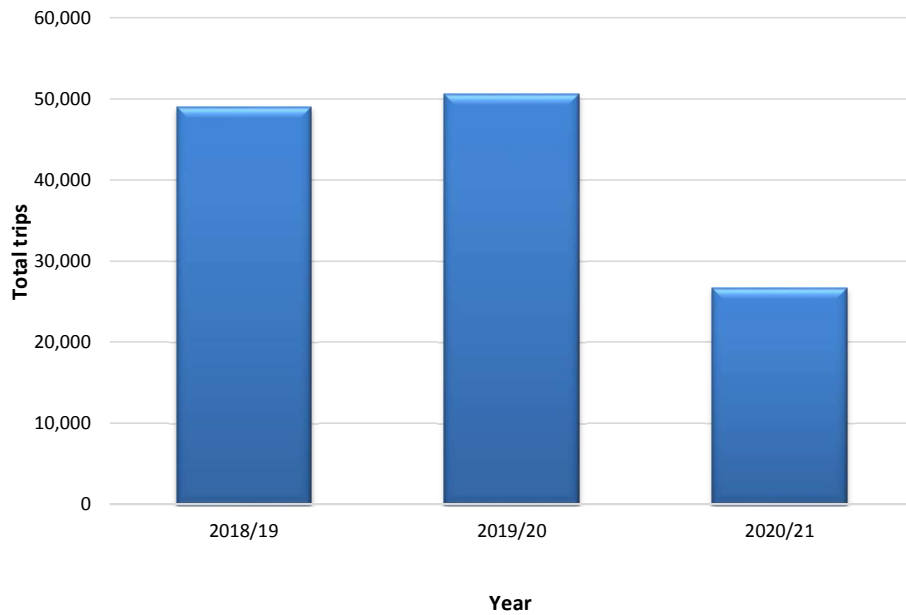
\*Ratios exclude indexation costs

#2696769

**SGC patronage YTD 2018/2019, 2019/2020 and 2020/2021**

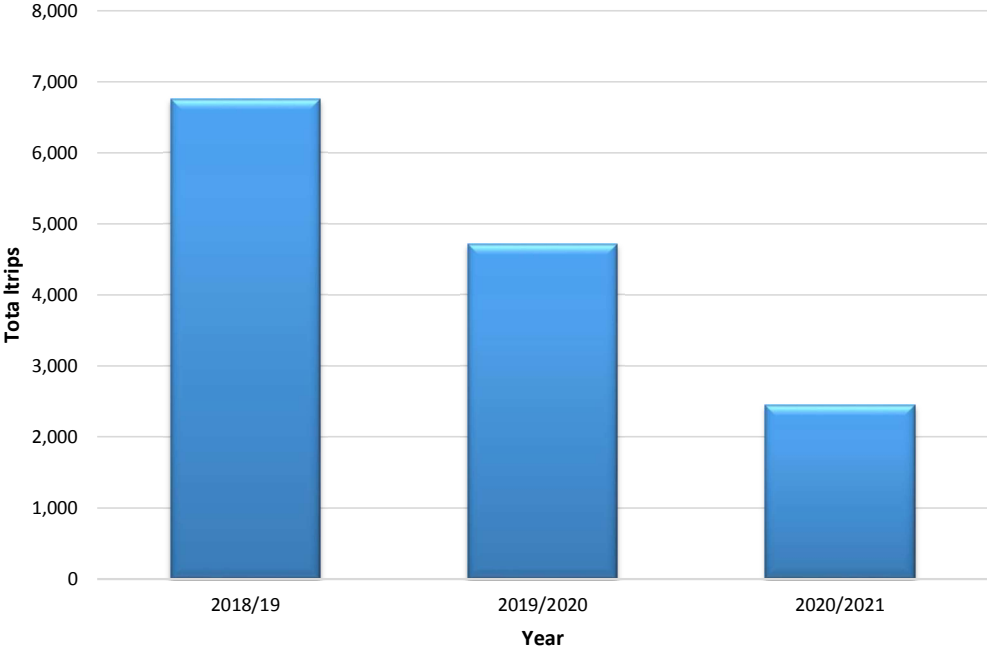


**Total Mobility trips 2018/19, 2019/2020 and 2020/2021**

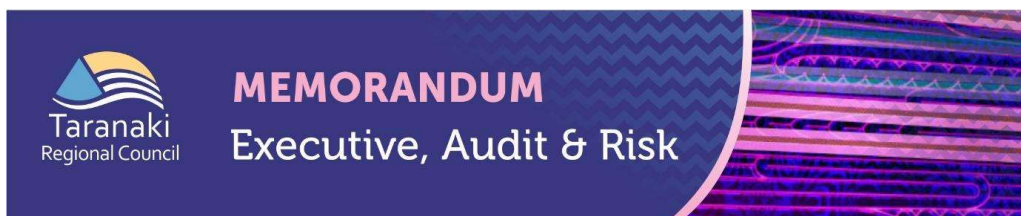


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### **Ironside trips 2018/19, 2019/20 and 2020/2021**







**Date** 15 February 2021

**Subject:** **Riskpool Annual Report 2020**

**Approved by:** M J Nield, Director - Corporate Services  
S J Ruru, Chief Executive

**Document:** 2700200

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### **Purpose**

1. The purpose of this memorandum is to consider and receive Riskpool's 2020 Annual Report.

### **Recommendations**

That the Taranaki Regional Council:

- a) receives Riskpool's 2020 Annual Report and notes the Scheme's performance to date
- b) notes that Riskpool is continuing its wind down process, which is expected to take a further 3 to 10 years
- c) notes that Riskpool does not expect to make further calls before 30 June 2022, but a final call on wind up is likely
- d) notes that a watching brief on the financial performance of the Scheme will be maintained.

### **Background**

2. The Council became a member of the Riskpool mutual liability group from the 1997/1998 insurance year. Riskpool provided the Council with public liability and professional indemnity insurance.
3. Whilst the Council does not have a direct investment in Riskpool, it is a member of the scheme and as such, the Council should monitor the performance of Riskpool.

### **Discussion**

4. As has previously been reported to Council, Riskpool was adversely affected by the weathertight building issue. The Fund's capital base was fully eroded and additional calls were made on the Members to cover outstanding liabilities. Riskpool has undertaken a significant range of measures to address these shortfalls and to minimise any future exposures. Despite this, the market has moved away from using Riskpool

and, consequently, they no longer offer public liability insurance. Riskpool is in the process of winding down, which is expected to take a further 3 to 10 years.

5. As at 30 June 2020, Riskpool's Trust Funds show a deficit of \$2.97 million. The Council expect there to be a final call from Riskpool in future years.
6. The possibility of future calls was recognised when these issues first arose and a \$78,791 accrual is recorded in the financial statements. Consequently, a future final call is unlikely to have an effect on future financial results.
7. A watching brief should continue over the financial performance of Riskpool as it winds down.
8. Public Liability insurance for 2020/2021 is with the London Insurance Market.

#### **Financial considerations—LTP/Annual Plan**

9. This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

#### **Policy considerations**

10. This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the *Local Government Act 2002*, the *Resource Management Act 1991* and the *Local Government Official Information and Meetings Act 1987*.

#### **Iwi considerations**

11. This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the *Local Government Act 2002*) as outlined in the adopted long-term plan and/or annual plan.

#### **Community considerations**

12. This memorandum and the associated recommendations have considered the views of the community, interested and affected parties and those views have been recognised in the preparation of this memorandum.

#### **Legal considerations**

13. This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

#### **Appendices/Attachments**

Document 2700404: Riskpool 2020 Annual Report



*Local Government Mutual Funds Trustee Limited*

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# Annual Report 2020



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## CHAIRMAN'S REPORT

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This annual report includes the financial statements for both New Zealand Mutual Liability Riskpool (Riskpool) and Civic Liability Pool (CLP). Riskpool's financial statements by Fund Year are available on request to the Scheme Manager (Civic Financial Services), as are CLP's Trust Deed and Riskpool's Trust Deed and Scheme Rules.

### **RISKPOOL IN RUN OFF**

Riskpool offered public liability and professional indemnity cover to its member councils from 1 July 1997 to 30 June 2017, a total of twenty years. At its peak, Riskpool was providing cover to 82 out of a possible 85 district, unitary and regional councils. Riskpool has collected a total of \$134.6 million in member contributions (including additional contributions) and as at 30 June 2020 it had paid its member councils \$169.4 million in claims.

Riskpool is now in run off. The Directors decided in February 2017 that new covers from Riskpool would not be offered from 1 July 2017. This was a difficult decision to make, but support from the sector had dropped, particularly from the larger councils, and without good support Riskpool could not offer the competitively priced cover and risk management services it was able to offer in the past.

It is expected that Riskpool will remain in run off for a further 3 to 10 years.

### **FINANCE AND MEMBER CALLS**

As at 30 June 2020, Riskpool's accounts show a deficit of \$2.9 million (2019: \$1.9 million). In 2018, Civic Financial Services agreed to lend Riskpool up to \$6 million at commercial interest rates. As at 31 October 2020 the loan from Civic Financial Services is \$2.221 million. A call on Riskpool's members before 30 June 2022 is not expected.

CLP is structured to not require calls. All CLP claims are covered by ground-up reinsurance.

### **CLAIMS**

Riskpool's total number of open claims reduced from 35 at 30 June 2019 to 21 at 30 June 2020.

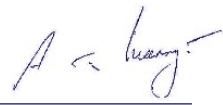
In June 2017, Riskpool had proceedings served on it by Napier City Council in relation to a concurrent liability claim which had been declined. Based on Queen's Council advice, Riskpool defended the claim in Court in July 2020 and is awaiting the Court's decision.

## CHAIRMAN'S REPORT *Continued*

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### **ACKNOWLEDGEMENTS**

I would like to extend my thanks to Civic Financial Services Limited, in particular to Ian Brown, Glenn Watkin and Tim Sole, as Fund and Scheme Manager. I would also like to thank our Claims Manager Paul Carpenter, Jeremy Holmes of MJW for the actuarial services provided to Riskpool, and our Scheme Solicitors at Heaney & Partners. During the year, David Heaney sadly passed away. On behalf of the Board, I acknowledge the huge contribution David made to Riskpool.



Tony Marryatt  
**Chairman**



# Annual Report 2020

CIVIC LIABILITY POOL

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## INDEPENDENT AUDITOR'S REPORT

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### TO THE READERS OF CIVIC LIABILITY POOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The Auditor-General is the auditor of Civic Liability Pool ("CLP"). The Auditor-General has appointed me, Silvio Bruinsma, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of CLP on his behalf.

#### OPINION

We have audited the financial statements of CLP on pages 8 to 16, that comprise the statement of financial position as at 30 June 2020, the statement of financial performance, the statement of movements in equity and cash flows statement for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of CLP:

- present fairly, in all material respects:
  - its financial position as at 30 June 2020 and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance Public Benefit Entity (PBE) Simple Format Reporting – Accrual (Public Sector) Standards.

Our audit was completed on 4 December 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustee and our responsibilities relating to the financial statements, we comment on other information and we explain our independence.

#### EMPHASIS OF MATTER – UNCERTAINTIES ASSOCIATED WITH THE OUTSTANDING CLAIMS PROVISION AND REINSURANCE RECEIVABLES

Without modifying our opinion, we draw your attention to Note 4 and 5 of the financial statements. The notes describe the variables that may affect the outstanding claims provision and related reinsurance receivables. Note 5 also describes the inherent uncertainties involved in estimating those amounts. The valuation of the related reinsurance receivables is subject to similar uncertainties as the valuation of the outstanding claims liability.

We consider the disclosures about the above matters to be adequate.

#### BASIS FOR OUR OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# Deloitte.

## INDEPENDENT AUDITOR'S REPORT *Continued*

### RESPONSIBILITIES OF THE TRUSTEE FOR THE FINANCIAL STATEMENTS

The Trustee is responsible on behalf of CLP for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trustee is responsible for such internal control as they determine is necessary to enable them to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible on behalf of CLP for assessing CLP's ability to continue as a going concern. The Trustee is also responsible for disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting, unless the Trustee intend to wind up CLP or to cease operations, or have no realistic alternative but to do so.

The Trustee's responsibilities arise from clause 5.4 of the Trust Deed of CLP.

### RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CLP's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the CLP's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CLP to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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We communicate with the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

#### **OTHER INFORMATION**

The Trustee is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements, and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **INDEPENDENCE**

We are independent of CLP 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* issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in CLP.

A handwritten signature in black ink that reads "Silvio Bruinsma".

**Silvio Bruinsma**  
**for DELOITTE LIMITED**  
**On behalf of the Auditor-General**  
Wellington, New Zealand

## CIVIC LIABILITY POOL

## STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>INCOME</b>			
Interest - Bank Deposits		145	356
<b>TOTAL INCOME</b>		<b>145</b>	<b>356</b>
<b>EXPENDITURE</b>			
<b>Direct Expenses</b>			
Claims Expense		3,613,767	9,034,155
Reinsurance Recoveries		(3,613,767)	(9,034,155)
Total Claims Expense		-	-
<b>Other Expenses</b>			
Sundry Expenses		167	127
	<b>3</b>	<b>167</b>	<b>127</b>
<b>TOTAL EXPENDITURE</b>		<b>167</b>	<b>127</b>
<b>NET (DEFICIT) / SURPLUS BEFORE TAX</b>		<b>(22)</b>	<b>229</b>
Tax (Credit) / Expense		(7)	76
<b>NET (DEFICIT) / SURPLUS</b>		<b>(15)</b>	<b>153</b>

The notes to the Financial Statements form part of, and are to be read in conjunction with, these Statements.

CIVIC LIABILITY POOL

STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
<b>Total Trust Funds at 1 July</b>	1,973	1,820
Net Surplus	(15)	153
<b>TOTAL TRUST FUNDS AT 30 JUNE</b>	<b>1,958</b>	<b>1,973</b>

*The notes to the Financial Statements form part of, and are to be read in conjunction with, these Statements.*

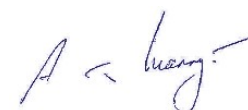
## CIVIC LIABILITY POOL

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>TRUST FUNDS</b>			
Trust Accounts		1,858	1,873
Trust Capital Account		100	100
<b>TOTAL</b>		<b>1,958</b>	<b>1,973</b>
Represented by:			
<b>ASSETS</b>			
Bank	6	696	5,452
Accounts Receivable	6	100	100
Reinsurance Recoveries Receivable	4,6	4,738,307	10,673,077
GST Receivable		15,866	7,611
<b>TOTAL ASSETS</b>		<b>4,754,969</b>	<b>10,686,240</b>
<b>LIABILITIES</b>			
Accounts Payable	6	22,275	-
Funding Payable	3,6	1,369,343	402,390
Provision for Tax		(61)	(43)
Provision for Claims	5	3,361,454	10,281,920
<b>TOTAL LIABILITIES</b>		<b>4,753,011</b>	<b>10,684,267</b>
<b>EXCESS OF ASSETS OVER LIABILITIES</b>		<b>1,958</b>	<b>1,973</b>

Signed on behalf of the Trustee, Local Government Mutual Funds Trustee Limited on 4 December 2020.



TONY MARRYATT CHAIRMAN



JOHN MELVILLE DIRECTOR

The notes to the Financial Statements form part of, and are to be read in conjunction with, these Statements.

CIVIC LIABILITY POOL  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash was Provided from:</b>		
Interest Received – Bank	145	356
Reinsurance Recoveries Received*	1,941,300	189,026
	1,941,445	189,382
<b>Cash was Applied to:</b>		
Claims*	2,904,723	333,837
Administration Fees	-	6
Other Expenses	176	237
Net GST Paid	8,255	2,208
	2,913,154	336,288
<b>NET CASH FLOW (TO) / FROM OPERATING ACTIVITIES</b>	<b>(971,709)</b>	<b>(146,906)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Cash was provided from:</b>		
Funding	2,659,435	249,700
<b>Cash was applied to:</b>		
Repayment of funding	1,692,483	100,000
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>966,953</b>	<b>149,700</b>
Net (Decrease) / Increase in Cash Held	(4,756)	2,794
Opening Cash Balance	5,452	2,658
<b>CLOSING CASH BALANCE</b>	<b>696</b>	<b>5,452</b>

\* Claims directly settled by the reinsurer to the claimant are not reflected in the Cash Flow Statement.

*The notes to the Financial Statements form part of, and are to be read in conjunction with, these Statements.*

CIVIC LIABILITY POOL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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### NOTE 1 REPORTING ENTITY

The Civic Liability Pool (the 'Pool' or 'CLP') is a trust registered on 17 June 2016.

The purpose of the Civic Liability Pool is to provide professional indemnity and public liability cover to Member local governments and to manage claims for civil liabilities made against Members, thus benefitting Local Authority residents and ratepayers.

The Scheme is not an insurer under the Insurance (Prudential Supervision) Act 2010 and is not required to have a credit rating.

Local Government Mutual Funds Trustee Limited ('LGMFT') has been appointed to act as the Trustee for the Scheme.

Civic Financial Services Limited ('Civic') is the Administration Manager for the Pool and holds all the shares in LGMFT in trust for the Members of the Pool.

#### Statement of Compliance

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and with the Public Benefit Entity (PBE) Simple Format Reporting – Accrual (Public Sector) Standards on the basis that it is not publicly accountable and is not large.

### NOTE 2 STATEMENT OF ACCOUNTING POLICIES

#### General Accounting Policies

The reporting currency is New Zealand dollars. Income and expenses are accounted for on an accruals basis.

#### Particular Accounting Policies

The following are particular accounting policies which materially affect the measurement of financial performance and financial position. Further particular accounting policies are contained in the relevant notes to the financial statements.

#### INCOME RECOGNITION

Contributions are recorded in the Statement of Financial Performance in the year in which they relate. All revenue is exchange revenue.

#### GOODS AND SERVICES TAX

The financial statements are prepared on a GST exclusive basis, except for receivables and payables that are stated inclusive of GST.

#### TAXATION

The income tax expense charged against the surplus for the year is the estimated liability in respect of that surplus and is calculated after an allowance for permanent differences. The liability method of accounting for deferred taxation is applied on a comprehensive basis.

Future tax benefits attributable to tax losses or temporary timing differences are only recognised to the extent that it is probable that future taxable profit will be available against which the unrecognised temporary difference or unused tax losses can be utilised.

#### Changes in Accounting Policies

There have been no changes in accounting policies during the year. All policies have been applied on a basis consistent with the previous year.



## CIVIC LIABILITY POOL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

**NOTE 3 RELATED PARTIES**

In 2017, as a result of the decision to wind up the Pool (refer to Note 8) Civic, as the sole shareholder of the Pool's Trustee, undertook to pay all non-claim costs charged to the Pool. Audit fees of \$17,640 (2019: \$15,000) in relation to the Pool are charged to Civic.

There is a potential time lag between claims being paid by CLP and the funds being available to meet those claims via insurance receipts. During 2017 Civic undertook to facilitate claim payments by providing the funds at no cost on a short-term basis with repayment due on receipt of the Pool's reinsurance receivables. Funding payable to Civic at 30 June 2020 is \$1,369,343 (2019: \$402,390).

**NOTE 4 REINSURANCE**

*Accounting Policy:*

*Reinsurance recoveries are provided for when a claim is incurred. These debtors are stated at estimated realisable value.*

	2020	2019
	\$	\$
Reinsurance Receivable 1 July	10,673,077	1,827,948
Reinsurance recoveries received	(9,548,536)	(189,026)
Current year's reinsurance recoverable	3,613,766	9,034,155
<b>REINSURANCE RECEIVABLE – DISCOUNTED AT 30 JUNE</b>	<b>4,738,307</b>	<b>10,673,077</b>

CLP has had ground up reinsurance from commencement. All claims are expected to be 100% ceded to CLP's reinsurers, up to policy limits.

## CIVIC LIABILITY POOL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

**NOTE 5 PROVISION FOR CLAIMS***Accounting Policy:*

All claims are provided for when notified and claims provisions are recognised at management's best estimate of future expected claims costs. The claims provision includes provision for known claims, incurred but not reported claims, and incurred but not enough reserved.

Claim payments are made following quantification and approval by the Trustee.

	2020	2019
	\$	\$
<b>CUMULATIVE CLAIMS EXPERIENCE</b>		
Claims paid – Prior Year	580,183	246,346
Claims paid – Current Year	10,534,233	333,837
Claims Provision	3,361,454	10,281,920
Gross claims incurred (paid and estimated)	14,475,870	10,862,103
Less reinsurance received	(9,737,563)	(189,026)
Less reinsurance recoverable	(4,738,307)	(10,673,077)
<b>TOTAL NET CLAIMS</b>	<b>-</b>	<b>-</b>
<b>CLAIMS PROVISION RECONCILIATION</b>		
Claims Provision 1 July	10,281,920	1,581,602
Less: Claims paid – Current year	(10,534,233)	(333,837)
<i>Add:</i> Current year's claims	3,613,767	9,034,155
Direct Claims Expense	3,613,767	9,034,155
<b>CLAIMS PROVISION AT 30 JUNE</b>	<b>3,361,454</b>	<b>10,281,920</b>

The claims provision is measured as the best estimate of expected future payments relating to claims incurred at the reporting date and are discounted at the average expected term to settlement.

Claims expense represents claim payments adjusted for movement in the claims provision. The estimation of the claims provision is an estimate reliant on many judgemental inputs regarding future events and key variables.

Because all claims are expected to be ceded 100% to CLP's reinsurers up to policy limits, there is no variability in the net outstanding claims hence no risk margin has been applied.

The Trustee takes all reasonable steps to ensure that they have appropriate information regarding claims exposures. The use of other experts is used to assess open claims however, given the uncertainty in establishing the liability, it is expected that the final outcome will be different from the original liability established. Because the claims are fully reinsured, changes in claims estimates are offset by changes in reinsurance recoveries in the year in which the estimates are changed hence there is no impact on the profit and loss.

## CIVIC LIABILITY POOL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

**NOTE 6 FINANCIAL INSTRUMENTS****Financial Assets and Liabilities**

The carrying amounts of all financial assets and liabilities are considered to be equivalent to their market value, which for these assets and liabilities is also considered to be fair value.

	2020	2019
	\$	\$
<b>CARRYING VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES</b>		
<b>Financial Asset: Cash and Receivables</b>		
Cash	696	5,452
Accounts Receivable	100	100
Reinsurance Recoveries Receivable	4,738,307	10,673,077
<b>TOTAL RECEIVABLES</b>	<b>4,739,103</b>	<b>10,678,629</b>
<b>Financial Liability: Amortised Cost</b>		
Accounts Payable	22,275	-
Funding Payable	1,369,343	402,390
<b>TOTAL AMORTISED COST</b>	<b>1,391,618</b>	<b>402,390</b>

CIVIC LIABILITY POOL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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### NOTE 7 CONTINGENT LIABILITIES AND COMMITMENTS

It is possible that actual claims will exceed the claims reserve. If so, any excess will be fully covered by reinsurance. Other than this, the Pool had no contingent liabilities at 30 June 2020 (2019: Nil). The Pool had no capital or operating lease commitments at 30 June 2020 (2019: Nil).

### NOTE 8 GOING CONCERN

These financial statements have been prepared on a going concern basis.

No further member contributions are expected, but the Pool will remain open to administer existing claims from members of the 2017 Pool year. The Pool will be able to provide liability cover in the future if this is what the sector wants and market conditions favour doing so. A date has not been set for winding up the Pool.

COVID-19 is not expected to have a significant impact on the Pool. There is no material uncertainty that casts doubt on the entity's ability to continue as a going concern or its ability to pay claims as a result of the pandemic.

### NOTE 9 EVENTS AFTER BALANCE DATE

Apart from claims development prior to signing which have been considered in the claims provision, there have been no material events subsequent to balance date.

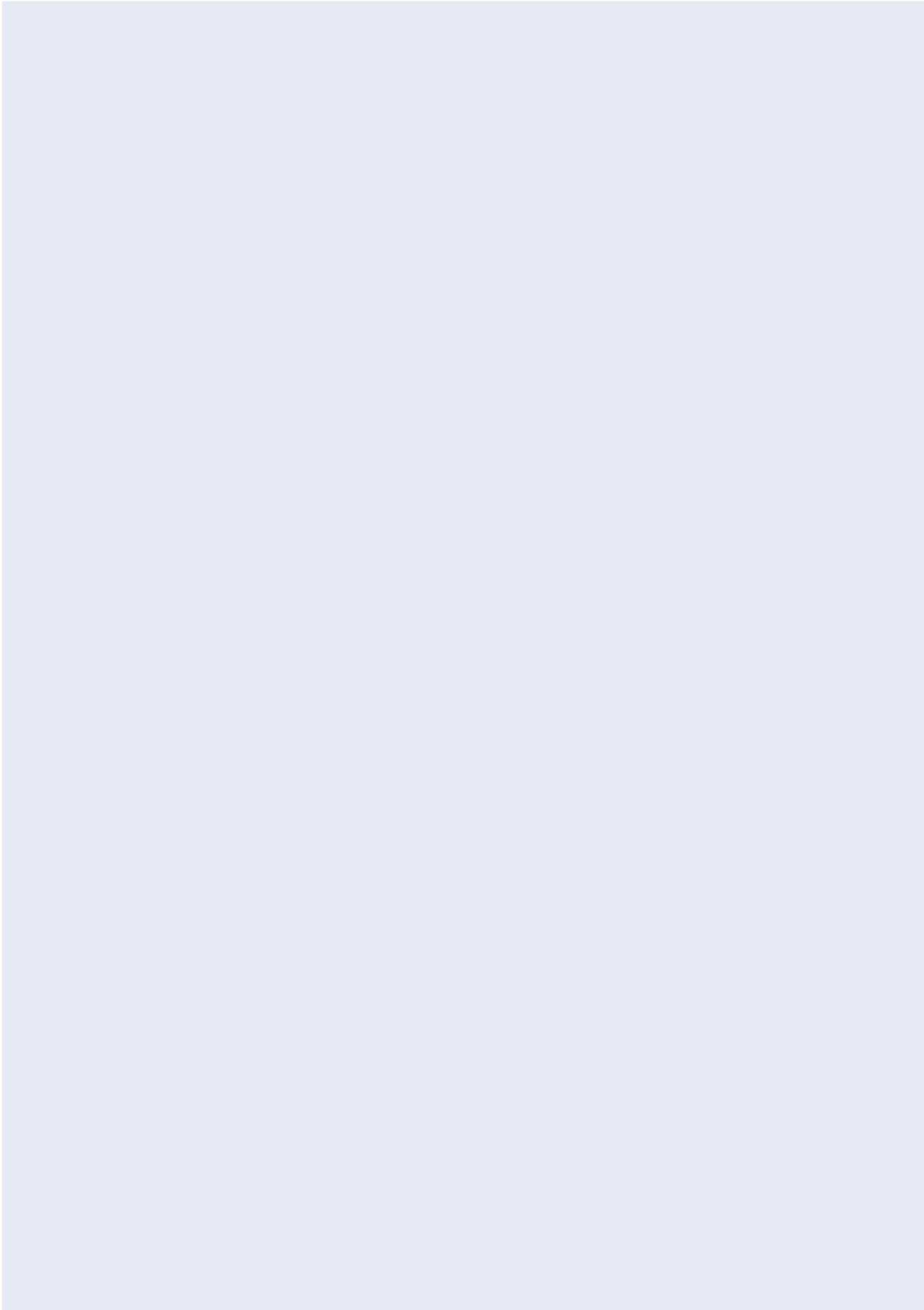
CIVIC LIABILITY POOL  
DIRECTORY

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Registered Office	7th Floor Civic Assurance House 116 Lambton Quay PO Box 5521 Wellington 6140	
Directors	Tony Marryatt (Chairman) Michael Hannan John Melville Tony Gray	Auckland Auckland Wellington Hastings
Administration Manager	Civic Financial Services Limited	
Claims Manager	Jardine Lloyd Thompson Limited	
Scheme Solicitors	Heaney & Partners	
Scheme Auditors	Silvio Bruinsma, Deloitte Limited On behalf of the Auditor-General	

**A copy of the Civic Liability Pool Trust Deed and Guidelines is available on request to:**

Civic Liability Pool  
P O Box 5521, Wellington 6140  
Telephone: 04 978 1250  
Facsimile: 04 978 1260  
E-mail: [admin@civicfs.co.nz](mailto:admin@civicfs.co.nz)





NEW ZEALAND MUTUAL  
LIABILITY RISKPOOL

Annual Report 2020

NEW ZEALAND MUTUAL LIABILITY RISKPOOL  
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## INDEPENDENT AUDITOR'S REPORT

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### TO THE READERS OF NEW ZEALAND MUTUAL LIABILITY RISKPOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The Auditor-General is the auditor of New Zealand Mutual Liability Riskpool ("Riskpool"). The Auditor-General has appointed me, Silvio Bruinsma, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the Riskpool on his behalf.

#### **OPINION**

We have audited the financial statements of Riskpool on pages 24 to 34, that comprise the statement of financial position as at 30 June 2020, the statement of financial performance, the statement of movements in equity and cash flow statement for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the Riskpool:

- present fairly, in all material respects:
  - its financial position as at 30 June 2020; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with the Public Sector Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR).

Our audit was completed on 4 December 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustee and our responsibilities relating to the financial statements, we comment on other information and we explain our independence.

#### **EMPHASIS OF MATTER – UNCERTAINTIES ASSOCIATED WITH THE OUTSTANDING CLAIMS PROVISION AND REINSURANCE RECEIVABLES**

Without modifying our opinion, we draw your attention to Note 5 and 6 of the financial statements. The notes describe the variables that may affect the outstanding claims provision and related reinsurance receivables. Note 5 also describes the inherent uncertainties involved in estimating those amounts using actuarial assumptions, including in relation to leaky building claims which are subject to a high degree of uncertainty. The valuation of the related reinsurance receivables is subject to similar uncertainties as the valuation of the outstanding claims liability.

We consider the disclosures about the above matters to be adequate.



### **BASIS FOR OUR OPINION**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **RESPONSIBILITIES OF THE TRUSTEE FOR THE FINANCIAL STATEMENTS**

The Trustee is responsible on behalf of Riskpool for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trustee is responsible for such internal control as they determine is necessary to enable them to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible on behalf of Riskpool for assessing Riskpool's ability to continue as a going concern. The Trustee is also responsible for disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting, unless the Trustee intend to wind up Riskpool or to cease operations, or have no realistic alternative but to do so.

The Trustee's responsibilities arise from clause 6.6.1 of the Trust Deed of Riskpool.

### **RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Riskpool's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.



- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Riskpool's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Riskpool to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

#### **OTHER INFORMATION**

The Trustee is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements, and our auditor's report thereon. The Annual Report is expected to be made available to use after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **INDEPENDENCE**

We are independent of Riskpool 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* issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in Riskpool.

A handwritten signature in black ink, which appears to read "Silvio Bruinsma".

**Silvio Bruinsma**  
**for DELOITTE LIMITED**  
**On behalf of the Auditor-General**  
Wellington, New Zealand

## NEW ZEALAND MUTUAL LIABILITY RISKPOOL

## STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$000	2019 \$000
<b>REVENUE</b>			
Calls Received	9	-	6,000
Contribution to expenses from prior fund years		30	428
Contribution to expenses from FY 20 Reserve		18	18
Reinsurance Recoveries	6	835	83
Direct Claims Expense	5	(1,384)	94
Claims Administration Expense		(30)	(428)
<b>Net Result for the Period</b>		<b>(531)</b>	<b>6,195</b>
<b>INVESTMENT REVENUE</b>		4	4
<b>TOTAL REVENUE</b>		<b>(527)</b>	<b>6,199</b>
<b>EXPENDITURE</b>			
Claims Manager's Fee		92	116
Fund & Scheme Manager's Fee	8	170	180
Audit Fees		43	44
Tax Compliance Services		2	4
Consultancy		19	10
Directors' Fees		42	48
Interest Expense		68	308
Meeting/Travel Expenses		-	8
Directors & Officers Liability Insurance		41	37
Legal Fees		25	10
Printing and Stationery		8	4
<b>TOTAL EXPENDITURE</b>		<b>510</b>	<b>769</b>
<b>NET COMPREHENSIVE (LOSS) / SURPLUS BEFORE TAX</b>		<b>(1,037)</b>	<b>5,430</b>
Tax Expense		-	-
<b>NET COMPREHENSIVE (LOSS) / SURPLUS AFTER TAX</b>		<b>(1,037)</b>	<b>5,430</b>

The notes to the Financial Statements form part of, and are to be read in conjunction with, these Statements.

NEW ZEALAND MUTUAL LIABILITY RISKPOOL  
STATEMENT OF MOVEMENTS IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$000	2019 \$000
<b>Total Trust Funds at 1 July</b>	(1,929)	(7,359)
Net Comprehensive (Loss) / Surplus	(1,037)	5,430
<b>TOTAL TRUST FUNDS AT 30 JUNE</b>	<b>(2,966)</b>	<b>(1,929)</b>

*The notes to the Financial Statements form part of, and are to be read in conjunction with, these Statements.*

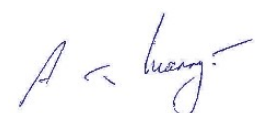
## NEW ZEALAND MUTUAL LIABILITY RISKPOOL

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	2020 \$000	2019 \$000
<b>TRUST FUNDS</b>			
Trust Accounts		(3,619)	(2,582)
Trust Capital Account		653	653
<b>TOTAL</b>		<b>(2,966)</b>	<b>(1,929)</b>
Represented by:			
<b>ASSETS</b>			
Cash	7	-	1,630
Accounts Receivable		-	4,370
GST Receivable/(Payable)		56	(200)
Reinsurance Receivable	6	5,219	4,399
<b>TOTAL ASSETS</b>		<b>5,275</b>	<b>10,199</b>
<b>LIABILITIES</b>			
Accounts Payable		318	441
Taxation Payable		-	3
Loans	7,8	1,508	5,755
Administration Expense Reserve		74	93
Claims Provision	5	6,341	5,836
<b>TOTAL LIABILITIES</b>		<b>8,241</b>	<b>12,128</b>
<b>DEFICIT ASSETS OVER LIABILITIES</b>		<b>(2,966)</b>	<b>(1,929)</b>

Signed on behalf of the Trustee, Local Government Mutual Funds Trustee Limited on 4 December 2020.



TONY MARRYATT CHAIRMAN



JOHN MELVILLE DIRECTOR

The notes to the Financial Statements form part of, and are to be read in conjunction with, these Statements.

## NEW ZEALAND MUTUAL LIABILITY RISKPOOL

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$000	\$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash was provided from:</b>		
Calls Received	4,355	1,645
Contribution to expenses from prior fund years	30	428
Interest Received – Bank	4	4
GST Refunded	(245)	240
Reinsurance recoveries received	12	1,621
	4,156	3,938
<b>Cash was applied to:</b>		
Claims Manager's Fee	(92)	(116)
Fund & Scheme Manager's Fee	(164)	(246)
Legal Fees	(95)	(192)
Claims	(778)	(1,980)
Consultants	(19)	(10)
Audit Fees	(45)	(44)
Interest Expense	(184)	(153)
Other Expenses	(73)	(81)
Taxation Paid	(4)	-
Reinsurance received on behalf of CLP	(184)	-
	(1,638)	(2,822)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>2,518</b>	<b>1,116</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Cash was provided from:</b>		
Administration Expense Reserve	(18)	(18)
Loans Issued	670	4,587
	652	4,569
<b>Cash was applied to:</b>		
Loans Repaid	(4,800)	(4,347)
<b>NET CASH (OUTFLOW) / INFLOW FROM FINANCING ACTIVITIES</b>	<b>(4,148)</b>	<b>222</b>
<b>Net (decrease) / increase in cash held</b>	<b>(1,630)</b>	<b>1,338</b>
Opening cash at 1 July	1,630	292
<b>CLOSING CASH AT 30 JUNE</b>	<b>-</b>	<b>1,630</b>

The notes to the Financial Statements form part of, and are to be read in conjunction with, these Statements.

NEW ZEALAND MUTUAL LIABILITY RISKPOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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**NOTE 1 STATEMENT OF ACCOUNTING POLICIES**

**Reporting Entity**

The New Zealand Mutual Liability Riskpool (the Scheme or "Riskpool") is governed by a Deed of Trust dated 1 July 1997 and the provisions of the Deed of Variation of Deed of Trust dated 22 June 2007.

The purpose of the Scheme is to provide professional indemnity and public liability cover to Member local governments and to manage claims for civil liabilities made against Members. Until June 2017 a separate Fund was established for each year providing cover for the period from 4pm 30 June to the following 4pm 30 June. From 1 July 2017 the Scheme is in run off (refer to Note 11 for more information).

The Scheme is not an insurer under the Insurance (Prudential Supervision) Act 2010 and is not required to have a credit rating.

Local Government Mutual Funds Trustee Limited (LGMFT) is the Trustee for the Scheme.

Civic Financial Services Limited (Civic) is the Fund and Scheme Manager for the Scheme and also holds all the shares in LGMFT in trust for the Members of the Scheme.

**Statement of Compliance**

The financial statements have been prepared in accordance with generally accepted accounting practice (GAAP). For the purposes of complying with GAAP, the Scheme is a Public Benefit Entity and complies with the Public Sector Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR). The criteria under which the Trust is eligible to report in accordance with PBE Standards RDR is that it is not publicly accountable and is not large.

The financial statements have been prepared in accordance with the requirements of the Trust Deed dated 1 July 1997 and the provisions of the Deed of Variation of Deed of Trust dated 22 June 2007 and been prepared in accordance with generally accepted accounting practice in New Zealand.

The financial statements have been prepared for the Scheme and represent the total for Fund Years 1 to 20. Detailed statements for Fund Years 1 to 20 are available from the Fund and Scheme Manager on request.

**General Accounting Policies**

The reporting currency is New Zealand dollars and the presentation is in \$NZ thousands. Income and expenses are accounted for on an accruals basis. The measurement base adopted is that of historical cost except for specific policies as described below.

**Particular Accounting Policies**

The following are particular accounting policies which materially affect the measurement of financial performance and financial position. Further particular accounting policies are contained in the relevant notes to the financial statements.

**GOODS AND SERVICES TAX**

The financial statements are prepared on a GST exclusive basis except for receivables and payables which are stated inclusive of GST.

**REVENUE**

Members' contributions are recognised in the relevant fund in the year for which they are invoiced. All revenue is exchange revenue.

**FINANCIAL INSTRUMENTS**

**i) Non-derivative financial instruments**

A financial instrument is recognised if the Scheme becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Scheme's contractual rights to the cash flows from the financial assets expire or if the Scheme transfers the financial asset to another party without retaining substantially all risks and rewards or the control of the asset.

**Bank and Cash Equivalents**

Bank and cash equivalents are measured at amortised cost using the effective interest rate and any accrued interest is recorded separately in the Statement of Financial Position.



NEW ZEALAND MUTUAL LIABILITY RISKPOOL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

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*Receivables*

Accounts receivables, reinsurance recoveries and other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate.

*Financial Liabilities*

Financial liabilities include Accounts Payable and Loans. Financial liabilities are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, liabilities are measured at amortised cost.

**ii) Offsetting Financial Instruments**

Financial assets and liabilities are not offset as there is no legally enforceable right to set-off.

**iii) Asset Quality**

*Impairment of Financial Assets*

Financial assets measured at amortised cost are reviewed at each balance date to determine whether there is any objective evidence of impairment. If any such condition exists, the asset's recoverable amount is estimated and provision is made for the difference between the carrying amount and the recoverable amount.

As at the date of these Financial Statements, no such evidence of impairment exists.

**iv) Fair Value and Carrying Amount of Financial Instruments**

The carrying amounts of all financial assets and liabilities are considered to be equivalent to their market value, which for these assets and liabilities is also considered to be fair value.

**Changes in Accounting Policies**

There have been no changes in accounting policies during the year.

**NOTE 2 TAXATION**

The income tax expense charged against the surplus for the year is the estimated liability in respect of that surplus and is calculated after an allowance for permanent differences. The liability method of accounting for deferred taxation is applied on a comprehensive basis. Future tax benefits attributable to tax losses or temporary timing differences are only recognised to the extent that it is probable that future taxable profit will be available against which the unrecognised temporary difference or unused tax losses can be utilised.

The Scheme has not recognised a deferred tax asset in respect of tax losses of \$7.1M (2019: \$6M) as at 30 June 2020. There is no unrecognised deferred tax asset in respect of temporary differences at 30 June 2020 (2019: nil).

**NOTE 3 MERGER OF FUNDS**

Prior to 30 June 2009 the Board decided that as all Fund 1 claims had been settled resulting in a small surplus and that Funds 2–4 had excess assets over liabilities and it was extremely unlikely to have claims settlements which would result in those excesses turning into deficits, it was appropriate that in exchange for the surplus within each of Funds 1 to 4, that Fund 5 (2001–02) accept any losses not recoverable by reinsurance on the operations of Funds 1 to 4 and that the surplus remaining in Funds 1 to 4 be applied by way of transfer to Fund 5 on or before 30 June 2009.

**NOTE 4 CONTINGENT LIABILITIES AND COMMITMENTS**

The Scheme from time to time receives notification of legal claims and disputes in relation to claim settlements as a commercial outcome of conducting its business. The Scheme defends all such claims.

Other than possible future liabilities in respect of claims which have not yet been notified, the Scheme had no contingent liabilities at 30 June 2020 (2019: Nil).

The Scheme had no capital or operating lease commitments at 30 June 2020 (2019: Nil).

## NEW ZEALAND MUTUAL LIABILITY RISKPOOL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

**NOTE 5 CLAIMS***Claims Accounting Policy:*

All claims are provided for when notified and claims provisions are recognised at the Trustee's best estimate of future expected claims costs. The claims provision includes provision for future expected claims settlement, incurred but not reported claims, and incurred but not enough reserved. It also includes expected future claims handling costs.

	2020	2019
	\$000	\$000
<b>CUMULATIVE CLAIMS EXPERIENCE</b>		
Claims paid – Prior year(s)	169,095	167,554
Claims paid / (received) – Current year	295	1,541
Claims Provision – Undiscounted	6,018	5,530
Risk Margin – 75% PoA	348	398
Discounting	(25)	(92)
Gross claims incurred (paid and estimated)	175,731	174,931
Less reinsurance received	(80,828)	(80,817)
Less reinsurance recoverable	(5,219)	(4,399)
<b>TOTAL NET CLAIMS</b>	<b>89,684</b>	<b>89,715</b>
<b>CLAIMS PROVISION RECONCILIATION</b>		
Claims Provision 1 July	5,836	7,724
Less: Claims (paid) / received	(295)	(1,541)
Less: Direct Claims related expense paid	(584)	(253)
Add: Reassessment of prior years' claims	800	(347)
Add: Directly settled claims expense	584	253
Direct Claims Expense	1,384	(94)
<b>CLAIMS PROVISION AT 30 JUNE</b>	<b>6,341</b>	<b>5,836</b>
The Future Claims Administration Expense reflects the level of claims being handled. The table below shows the respective reserves for future claims administration expenses included in the claims provision. The reserve in the current year has been calculated as an estimate of all future expenses until the Scheme is wound up.		
<b>FUTURE CLAIMS ADMINISTRATION RESERVE</b>	<b>1,238</b>	<b>526</b>

NEW ZEALAND MUTUAL LIABILITY RISKPOOL  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2020

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The claims provision is measured as the central estimate of expected future payments relating to claims incurred at the reporting date. The expected future payments include those in relation to claims incurred but not enough reserved ("IBNER"). These claims are discounted in the financial statements at the average expected term to settlement.

Claims expense represents claim payments adjusted for movement in the claims provision. The estimation of the claims provision involves a number of key assumptions and is the most critical accounting estimate. Risk margins are held to allow for uncertainty surrounding the outstanding claims liability estimation process. Potential uncertainties include those relating to the actuarial models and assumptions, the quality of the underlying data used in the models, general statistical uncertainty and the general environment.

The risk margin is applied to the net central estimates in order to arrive at an overall net provision that is intended to provide a probability of sufficiency of 75%.

The Trustee takes all reasonable steps to ensure that they have appropriate information regarding claims exposures. External actuarial advice is sought and the use of other experts is used to assess open claims. However, given the uncertainty in establishing the liability, it is expected that the final outcome will be different from the original liability established. Changes in claims estimates that are not fully reinsured impact profit and loss in the year in which the estimates are changed.

### Central Estimate of Claims Provision

As at 30 June 2020 the central estimate of the claims provision was evaluated by Jeremy Holmes (Fellow of the NZ Society of Actuaries) of Melville Jessup Weaver in accordance with the requirements of NZ Society of Actuaries: *Professional Standard No. 30 Valuations of General Insurance Claims*. Mr Holmes is satisfied as to the nature, sufficiency and accuracy of data used in the calculation of the outstanding claims liability.

The estimation of the claims provision is based on a claim by claim stochastic methodology adjusted for the impact of individual claim excess, excess of loss reinsurance, stoploss reinsurance and members' aggregate claim limits. Key assumptions used are inflation and discount rates.

The interest rates used for discounting were gross yields to redemption of NZ government debt of appropriate duration taken from the NZ Debt Management office website. The rates range from 0.22% to 1.42% with duration to payment of 0.25 to 19.75 years. The mean interest rate is 0.37% with an estimated timing of net cash outflows from the claims liability of 1.40 years.

The estimation of the claims provision is subject to a level of uncertainty. For 'leaky building' claims, the estimation is subject to a greater degree of uncertainty due to the nature of the claims, which are variable in size and settle over a longer term. The claims provision is considered the Trustee's best estimate as at the date of the signed accounts but should be viewed in respect of the uncertainties.

### Areas of estimation uncertainties

Many assumptions were made in arriving at the estimated figure of the claims provision and related reinsurance receivables. The final outcome will depend on many variables including the percentage of WHRS (Weathertightness Home Resolution Service) registrations that will not proceed, the percentage that will involve private certifiers and will have no impact on Riskpool and the contribution applied to other parties. The estimate takes into account all known relevant factors and draws on Riskpool's historical experience of these types of claims and external actuarial advice. The figure invariably will be subject to upwards or downwards adjustments in the future as claims are resolved.

Additional sources of uncertainty relating to leaky buildings include unpredictable court outcomes and political interventions. A trend towards a reduced number of defendants to leaky claims is leaving councils under joint and several liability and are therefore liable for higher costs. Claims are now highly dependent on a relatively small number of large claims and defendants often choosing to keep information confidential for as long as possible. Some potential claims may not yet be recognised and multi-unit claims are not separately identified.

## NEW ZEALAND MUTUAL LIABILITY RISKPOOL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

**NOTE 5 CLAIMS Continued****Review of Assumptions**

The normal review of assumptions in the year to 30 June 2020 includes interest discounting, finalisation patterns, zero/non-zero claim probabilities and case estimate credibility assumptions.

The most sensitive assumption is the case estimate credibility. If each of the case estimate credibility factors were decreased by 10% the baseline discounted 75% PoA outstanding claims net of reinsurance would increase by \$0.147M. Similarly a 10% increase would result in a \$0.390M decrease.

**NOTE 6 REINSURANCE**

*Reinsurance Recoveries Accounting Policy:*

*Reinsurance recoveries are provided for when the estimated claims incurred exceed the reinsurance excess level. These debtors are stated at estimated realisable value.*

	2020	2019
	\$000	\$000
<b>REINSURANCE RECEIVABLE RECONCILIATION</b>		
Reinsurance Receivable 1 July	4,399	5,696
Reinsurance recoveries (received) / paid	(12)	(1,378)
Current year's reinsurance recoverable	854	146
Reinsurance Receivable – Undiscounted at 30 June	5,241	4,464
Discounting	(22)	(65)
<b>REINSURANCE RECEIVABLE – DISCOUNTED AT 30 JUNE</b>	<b>5,219</b>	<b>4,399</b>

Reinsurance is discounted in line with the discounting terms of the claims provision.

Individual excess of loss and stoploss reinsurance is organised on a Fund Year basis.

Included in the reinsurance recoveries is an amount following a commutation with Swiss Re of the first layer of reinsurance and a portion of the upper layers for fund years 3 to 10. There is reinsurance for the remainder of the higher layers. Each Fund entered into a reinsurance contract with the effect that the Funds had maximum claims paying exposure of: Fund 1 \$2M, Fund 2 \$2.5M, Funds 3, 4 & 5 \$3M, Fund 6 \$3.25M, Fund 7 \$3.5M, Funds 8 & 9 \$4M, Fund 10 \$6M, Fund 11 \$1.5M, Fund 12 \$1.625M, Fund 13 \$1M, Fund 14 \$0, Fund 15 \$1.35M and Funds 16 to 20 \$0. However Funds 7 to 9 do not have reinsurance cover for WHRS "leaky homes" claims and Funds 10 and thereafter have limited reinsurance cover for "leaky homes" claims. All claims for Funds 14 and 16 to 20 are covered by reinsurance. There are 22 low risk members that have some cover for WHRS and Non-WHRS claims for fund years 13 to 20, these risks being fully reinsured.

NEW ZEALAND MUTUAL LIABILITY RISKPOOL  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2020

**NOTE 7 FINANCIAL INSTRUMENTS****Financial Assets and Liabilities**

The carrying amounts of all financial assets and liabilities are considered to be equivalent to their market value, which for these assets and liabilities is also considered to be fair value. All fixed interest investments were managed around a 90 day duration and carry a minimum Standard and Poor's credit rating of "A1" or equivalent.

	2020	2019
	\$000	\$000

**CARRYING VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES****Financial Asset: Cash and Receivables**

Cash	-	1,630
Accounts Receivable	-	4,370
Reinsurance Receivable	5,219	4,399
<b>TOTAL CASH AND RECEIVABLES</b>	<b>5,219</b>	<b>10,399</b>

**Financial Liability: Amortised Cost**

Accounts Payable	318	441
Loans	1,508	5,755
<b>TOTAL AMORTISED COST</b>	<b>1,826</b>	<b>6,196</b>

**NOTE 8 RELATED PARTIES****i) Administration Fees**

Civic is the Fund and Scheme Manager to the Fund. During the year the Scheme paid management fees to Civic of \$0.170M (2019: \$0.180M).

**ii) Loans**

A secured loan agreement between Civic and Local Government Mutual Funds Trustee Limited on behalf of New Zealand Mutual Liability Riskpool ("Riskpool") was entered into in February 2017 (Loan 1) and again in August 2017 (Loan 2) to assist with Riskpool's cashflow. The amount under each agreement is for a loan of up to \$2,250,000 (previously \$3,000,000 – amended on 15 November 2018) and under the terms of the loan the interest rate is set as BKBM plus a margin. A third agreement (Loan 3) was entered into on 15 November 2018 for \$4,000,000. Any loan may be repaid by Riskpool at any time without penalty and the agreement terminated by either party with six months' notice. The first loan including interest of \$45,376 under the first agreement was repaid in full in November 2018. The third loan including interest of \$183,762 under the third agreement was repaid in full in August 2019.

As at 30 June 2020 the balance of Loan 1 was \$nil (2019: \$nil), \$1.508M (2019: \$1.755M) was drawn down on Loan 2 and the balance of Loan 3 was \$nil (2019: \$4.000M).

NEW ZEALAND MUTUAL LIABILITY RISKPOOL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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### NOTE 9 CALLS

The Board of the Trustee resolved in September 2018 that based on the claims outturn deficit estimates it was prudent to make a call for fund years 7 and 10. Following the resolution members were advised that Riskpool needed to make the interim call before it makes a final call (on wind up). The call was for \$6 million, split \$3 million each to fund years 7 and 10. The call on Riskpool's wind up is expected to be for a lesser amount.

### NOTE 10 SUBSEQUENT EVENTS

Prior to Balance Date proceedings had been served against the Scheme by a member with regard to a claim where cover was declined on legal advice. The case has gone to trial with further legal proceedings under way. At this stage the outcome of the dispute cannot be determined consequently no provision has been made in the financial statements.

Apart from claims developments prior to the date of signing which have been considered in the claims provision, there have been no material events after 30 June 2020 that requires adjustment to or disclosure in the financial statements.

### NOTE 11 GOING CONCERN

These financial statements have been prepared on a going concern basis.

While the total liabilities exceed total assets indicating a shortfall in equity, the Trustee is able to levy the members of the Scheme to cover any shortfall in equity in any Fund under the terms of the Deed of Trust. In addition, the Scheme provides mutual protection from risk on a discretionary basis, insofar as the Trustee has the ability to not pay a claim if the Trustee determines that the individual Funds of the Scheme are not in a position to do so.

The loan facilities provided from Civic referred to in Note 8 are used to cover the working capital for the Scheme.

From 1 July 2017 the Scheme is in run off. No further contributions will be received however the Scheme will remain open to administer existing and future claims for members of fund years 1 to 20. Given the long tail nature of the claims, no date has been set for the wind up of the Scheme, however the Scheme will be able to provide liability insurance in the future if this is what the sector wants and market conditions favour doing so.

COVID-19 is not expected to have a significant impact on the Scheme. There is no material uncertainty that casts doubt on the entity's ability to continue as a going concern or its ability to pay claims as a result of the pandemic.

NEW ZEALAND MUTUAL LIABILITY RISKPOOL  
DIRECTORY

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Registered Office	7th Floor Civic Assurance House 116 Lambton Quay PO Box 5521 Wellington 6140	
Directors	Tony Marryatt (Chairman) Michael Hannan John Melville Tony Gray	Auckland Auckland Wellington Hastings
Fund & Scheme Manager	Civic Financial Services Limited	
Claims Manager	Jardine Lloyd Thompson Limited	
Scheme Solicitors	Heaney & Partners	
Scheme Auditors	Silvio Bruinsma, Deloitte Limited On behalf of the Auditor-General	

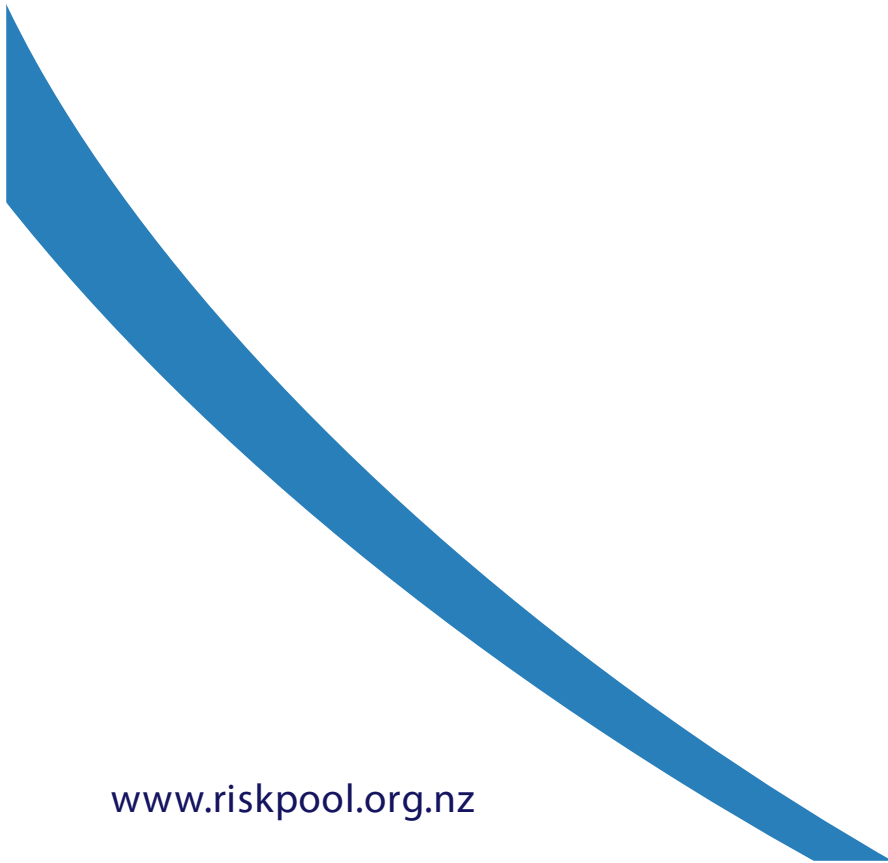
**A copy of the Local Government Mutual Funds Trustee Limited Trust Deed and Riskpool Scheme Rules is available on request to:**

New Zealand Mutual Liability Riskpool  
P O Box 5521, Wellington 6140  
Telephone: 04 978 1250  
Facsimile: 04 978 1260  
E-mail: [admin@civicfs.co.nz](mailto:admin@civicfs.co.nz)





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[www.riskpool.org.nz](http://www.riskpool.org.nz)



**Date** 15 February 2021

**Subject:** **Office Accommodation Review - Update**

**Approved by:** M J Nield, Director - Corporate Services  
S J Ruru, Chief Executive

**Document:** 2701746

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### Purpose

1. The purpose of this memorandum is to receive and consider options for the accommodation review for subsequent inclusion in the *2021/2031 Long-Term Plan Consultation Document*.

### Recommendations

That the Taranaki Regional Council:

- a) receives the Office Accommodation Review - Update memorandum.
- b) notes and considers the options for the accommodation review for inclusion in the *Consultation Document* for the *2021/2031 Long-Term Plan*.
- c) adopts the preferred option for the accommodation review for inclusion in the *Consultation Document* for the *2021/2031 Long-Term Plan* being developing the remainder of the Inspectorate Building and addressing earthquake-prone building issues with existing approved budgets and undertake the redevelopment of the remainder of the site over the next two financial years.
- d) notes the accommodation review will be included as a consultation issue in the *Consultation Document* for the *2021/2031 Long-Term Plan* and that further detailed work, beyond upgrading of the Inspectorate Building and addressing earthquake-prone building issues in the current financial year, and analysis will be dependent upon adoption of the *2021/2031 Long-Term Plan*.
- e) determines that this decision be recognised as significant in terms of section 76 of the *Local Government Act 2002*
- f) determines that it has complied with the decision-making provisions of the *Local Government Act 2002* to the extent necessary in relation to this decision; and in accordance with section 79 of the Act, determines that it does not require further information, further assessment of options or further analysis of costs and benefits, or advantages and disadvantages prior to making a decision on this matter.

## Background

2. The Council operates out of the former Stratford dairy factory, which was converted to office accommodation in the 1980s. Since then, there have been a number of enhancements to the site - development of the Inspectorate area, development of a new laboratory area, development of the Environment Services area and redevelopment of the Boardroom. However, the majority of the main building and the two-storey building are largely unchanged from the initial redevelopment.
3. The current design/layout of the building is proving to be no longer fit for purpose. The layout design is inefficient with a lot of wasted space. Further the heating/cooling systems are at end of life and inefficient in their main purpose and in energy-use.
4. Work practices are changing/evolving with this process accelerating post the Covid-19 lockdown. Work practices are increasingly mobile with field staff requiring more flexible shared spaces rather than permanent space. There is a significant shortage of meeting and break out spaces. Work practices are becoming increasingly collaborative and the need for these spaces is important.
5. The implementation of the Essential Freshwater packages will significantly increase the current level of full time equivalents (FTEs). The inefficiencies in the current layout and use of space will result in problems as these new staff join the Council. There is sufficient space to accommodate the increased staff numbers using a modern design and layout and using increased shared spaces for field staff.
6. A range of options are being explored to address the current deficiencies. These options are to be included in the *2021/2031 Long-Term Plan Consultation Document*. So the purpose of this memorandum is to consider those options and to identify a preferred option for the consultation document.

## Issues

7. The issues being addressed by this Agenda Item relate to the progression of the review of accommodation options. The next steps are to proceed get the project included in the *2021/2031 Long-Term Plan* for implementation of the adopted option from 1 July 2021 while also progressing an upgrade of the Inspectorate building in the current financial year.

## Discussion

8. The Council has explored a number of options for undertaking a review of accommodation. The options considered include:
  - redevelopment of the existing buildings.
  - demolition and replacement of the buildings on the current site.
  - building new accommodation in either Stratford or elsewhere in the region.
  - leasing existing accommodation in either Stratford or elsewhere in the region.
9. In considering these options, the following principles have been applied:
  - Operational: the solution needs to deliver accommodation that is fit for purpose and allows the Council to effectively deliver on its statutory function and duties as outlined in its full range of regional policies, strategies and plans. Staff are able to be located within one facility.

- Flexible and efficient: a solution that can adapt in a changing environment.
  - Value-for-money: the solution needs to be cost-effective and have the lowest overall cost to the regional community noting that at all times we are expending the community's money.
10. There are a range of other issues that have been addressed including the costs of the options, the funding of the options, the location of accommodation and the future of local government.

### **Future of local government structures in Taranaki**

11. The rapid level of change occurring with the provision of local government services is forecast to remain consistent over the next few years. The most significant of these are the Essential Freshwater reforms, the Three Waters reforms and the resource management reforms. At the end of this process of reform there are likely to be changes to the structure of local government at local, regional and national levels. The form of these changes is unknown at this stage. Consequently, there is a risk that any investment in accommodation could become redundant at some point in the future. The risk is minimised to an extent as:
- the timing of any changes to local government structures is unknown.
  - the nature and structure of any changes is unknown.
  - the duties and functions of the regional council will still require to be undertaken.
12. There is potential for some space to be made available as the Three Waters reforms are implemented. Staff and resources may end up being transferred from the territorial authorities to the new water structures. This option has not been fully explored as:
- the changes will take a number of years to be implemented.
  - the space may not be freed-up as the new water entities may end up using that space.
  - the regional council staff would end up being spread across a number of sites. This is sub-optimal for achieving regional council goals.

### **Stratford v another location**

13. Historically, the Council has been based in Stratford. This central location has proven to be beneficial as:
- the location is neither urban nor rural.
  - the location is neither north nor south.
  - the location is not the main urban centre of the region dictating to the rural sector.
14. There have been few downsides to being based in Stratford. The reality is that any move away from Stratford would be to New Plymouth. This is due to the amount of space the Council would need to establish on a new site or lease in an existing building. A move to New Plymouth would put the Council closer to the main commercial centre of the region and the largest local authority in the region. This would have some benefits but could come at the expense of the rest of the region.

### **Earthquake prone buildings**

15. The Council has undertaken extensive investigations of the options for refurbishment of the existing site. During these investigations, it was identified that the corner/side of the main building by the Committee Room needs some relatively minor earthquake strengthening. It is proposed to address these repairs as part of the project.

### **Estimates and funding**

16. The three main options have been costed at a high-level for the purposes of allowing for option identification and selection.
17. The refurbishment/redevelopment option is estimated to cost approximately \$7m.
18. A rebuild on the existing site is estimated at \$13.4m including demolition of the existing buildings. A build on a new different site would save the demolition costs (potentially) but would incur additional costs through the purchase or lease of the land for the new build. The purchase of an existing building and the refit of that building has not been costed because of the high number of variables (purchase price, extent and cost of refit etc.). For the purposes of this Agenda, it has been assumed that this option would be at the same level as the new build (that is, around the \$13-\$14m level).
19. Leasing an existing building has been estimated to cost \$960,000 per annum. For the size required by the Council, it is likely that such a building would need to be specifically built. These costs for a refit of an existing building have been estimated in the annual lease costs.
20. The options of refurbishment or a new building would be funded out of retained earnings and borrowings. The refurbishment option would add approximately \$240,000 in additional depreciation and \$120,000 in lost income revenue/borrowing costs annually. The new build costs would be approximately \$536,000 in additional depreciation and \$268,000 in lost income revenue/borrowing costs annually.
21. The funding of leasing space would be from general rates.
22. The Council unsuccessfully applied for Covid-19 shovel-ready funding and provincial growth fund support.
23. The preferred option has been included in the estimates for *2021/2031 Long-Term Plan*. This may need to be updated dependent on the preferred option of the Council and the results of the public consultation process.

### **Existing site**

24. Any option that relocates the Council from the current Stratford site will necessarily result in the need to address the remaining land and buildings. The options include:
  - do nothing with the site;
  - lease out the site;
  - sell the land and buildings as they are;
  - redevelop the site and then lease or sell; or
  - demolish the buildings and then lease or sell the land.
25. The market for these options may be limited for commercial/industrial uses.

**Options**

26. The following table outlines the various options and the advantages and disadvantages of each option:

Option	Advantages	Disadvantages
<p>Status Quo - no change to current accommodation arrangements - not recommended</p>	<p>Cost savings - no expenditure or increases in debt and rates. Existing facilities are reused.</p>	<p>Accommodation remains not fit for purpose. Operational and strategic outcomes are potentially compromised.  Accommodation will still need to be addressed in the future when costs will be higher.  Earthquake-prone building issues are not addressed.</p>
<p>Develop the remainder of the Inspectorate Building and earthquake prone building issues within existing approved budgets but undertake no further developments - not recommended</p>	<p>No additional expenditure or increases in rates over that already approved in the last two Annual Plans.  Some increased capacity and flexibility for increases in staff numbers.  Existing facilities are reused.  Earthquake-prone building issues are addressed.</p>	<p>Accommodation issues are partially addressed but the site remains not totally fit for purpose. Operational and strategic outcomes remain potentially compromised.  Remainder of accommodation will still need to be addressed in the future when costs will be higher.</p>
<p>Develop the remainder of the Inspectorate Building and address earthquake-prone building issues with existing approved budgets and undertake the redevelopment of the remainder of the site over the next two financial years. This is the preferred/ recommended option.</p>	<p>Accommodation issues are addressed and the site becomes fit for purpose to achieve strategic and operational objectives/outcomes.  Existing facilities are reused.  Costs are minimised rather than delay when costs will be higher.  Earthquake-prone building issues are addressed.</p>	<p>Additional expenditure, debt and rates are incurred.  There will be disruptions as the works are undertaken.</p>
<p>A variation on the option above, by delaying the Inspectorate Building and earthquake-prone building issues to align with the work of the rest of the site. That is, complete all the work at once and don't start early - not recommended</p>	<p>Same advantages as option above</p>	<p>Same disadvantages as above.</p>

Option	Advantages	Disadvantages
Demolish the existing buildings and rebuild on the existing site - not recommended	Accommodation issues are resolved and new designed buildings are fully fit for purpose without having to make allowances for the existing buildings.	More expensive option than refurbishing existing buildings. Increases in expenditure, debt and rates. Staff and work disruptions. Additional accommodation will need to be sourced during the build.
Build new accommodation on a new site either in Stratford or elsewhere - not recommended	Accommodation issues are resolved and new designed buildings are fully fit for purpose without having to make allowances for existing buildings.	Cost of acquiring land for new build. More expensive option than refurbishing existing buildings. Increases in expenditure, debt and rates. Relocating from Stratford would move from a central location. This could result in operational and strategic downsides. Existing land and buildings in Stratford would need to be addressed. There could be a limited market for those assets.
Rent/lease commercial accommodation in either Stratford or some other location - not recommended.	Accommodation issues are resolved and become fit for purpose.	Ownership costs are transferred from capital/depreciation to lease/rent costs. A suitable existing building would also need to be outfitted. Costs of refurbishing and leasing would be more expensive than refurbishing existing buildings. Increases in expenditure, debt and rates. Unlikely to have a suitable building to lease outside of New Plymouth. Relocating from Stratford would move from a central location. This could result in operational and strategic downsides. Existing land and buildings in Stratford would need to be addressed. There could be a limited market for these assets.



27. The preferred recommended option is to develop the remainder of the Inspectorate Building and address the earthquake-prone buildings issues straight-away within existing budgets and undertake the remainder of the site over the next two financial years. If adopted as the preferred option, this will be identified, along with the other options, in the *Consultation Document* for the *2021/2031 Long-Term Plan*.

### **Significance**

28. In terms of the Significance and Engagement Policy, the decision is assessed as being significant. This assessment is based upon the following criteria:
- the issue will affect a large number of residents and ratepayers to a moderate extent.
  - the issue will potentially generate wide public interest within the region.
  - the issue will incur expenditure of more than \$5m of budgeted or \$2.5m of unbudgeted expenditure.
29. The community's views will be ascertained through the consultation and engagement process on the *2021/2031 Long-Term Plan*. Whilst the preferred option is to commence work on the remainder of the Inspectorate Building and address earthquake-prone building issues with existing approved budgets and undertake the redevelopment of the remainder of the site over the next two financial years, the reality is that the Inspectorate and earthquake prone building work is unlikely to have commenced prior to the hearing and consideration of the community's views on this matter. The work can be halted if an alternative decision is reached.

### **Financial considerations—LTP/Annual Plan**

30. This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Plan and estimates. The adopted *2021/2031 Long-Term Plan* will reflect Council's final decision as to its preferred option. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

### **Policy considerations**

31. This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the *Local Government Act 2002*, the *Resource Management Act 1991* and the *Local Government Official Information and Meetings Act 1987*.

### **Iwi considerations**

32. This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the *Local Government Act 2002*) as outlined in the adopted long-term plan and/or annual plan.

### **Community considerations**

33. This memorandum and the associated recommendations have considered the views of the community, interested and affected parties and those views have been recognised in the preparation of this memorandum. In particular, it is recognised that:

- historically, there has been a high level of community support for Council being located in Stratford
- the community would expect Council to adopt a conservative and prudent option to further investment in its buildings given the level of uncertainty created by reforms affecting the local government sector
- there is a need to ensure that Council have appropriate office facilities that recognise the needs of a modern working environment
- the community will have the opportunity to provide feedback on the range of options ahead of the *2021/2031 Long-Term Plan* being adopted and commencement of physical works.

**Legal considerations**

34. This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

**Executive, Audit & Risk Committee  
Public Excluded**

In accordance with section 48(1) of the *Local Government Official Information and Meetings Act 1987*, resolves that the public is excluded from the following part of the proceedings of the Executive, Audit and Risk Committee Meeting on Monday 15 February 2021 for the following reason/s:

**Item 8 - Confidential Minutes - 7 December 2020**

*That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.*

**Item 9 - Technix Bitumen Technologies Limited - Rent Holiday Request**

*That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.*

**Item 10 - Yarrow Stadium Update**

*That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.*