



# **Section 1**

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# Message from the Mayor



**Long-Term Plans are possibly the most important documents that a council can create.**

These plans set out our budgets and work programme for the next 10 years – the first three years in detail and the following seven in outline. They give direction for a community's growth and development – such as the provision of critical infrastructure or cultural events and facilities – and clearly show where our money is coming from and how it will be spent.

But more importantly, it's a time when the community has the chance to influence the direction and the priorities of their district in a tangible way.

Leading up to this Long-Term Plan 2015-2025 (LTP) being confirmed was almost a year of community consultation through Community Conversations and Mayoral online chats under the banner of Shaping Our Future Together.

We also received a lot of feedback during our formal public consultation on our LTP proposals – with 526 formal submissions and 170 pieces of feedback coming through the Council's MyRates website. Key topics for public submissions included community funding and community development, housing for the elderly rentals, parking fees, water reticulation maintenance and pan tax remissions. We also received a number of submissions on coastal erosion, fluoridation of our water supply, rates, roads and footpaths.

I want to say an enormous thank you to everyone who has given their time to take part in the Shaping Our Future Together events or who read our proposed Long-Term Plan and sent in their comments. We heard your feedback and it has helped us deliver a plan that reflects the priorities of our community at a cost that we can afford.

## **Affordable progress**

Through Shaping Our Future Together and LTP submissions, we heard that people are proud of where we live and they want to see progress maintained. While there was a desire to control costs and make savings where possible, there was a clear message that the specialness of our district shouldn't be undermined.

I am pleased that we have been able to respond to issues raised in public submissions during our consultation and include some new projects in the 10-year plan, while still getting the total rates take a

little lower than we initially proposed for the coming year. Erosion issues will be managed at Onaero in the coming 12 months and at Urenui in 2016/17; and funding for dust-coat seals in rural areas has been provided for the next 10 years. We will build public toilets in Ōākura town centre. We are also introducing a new residential rubbish and recycling system in October. These projects add \$1.35 million to our 10 year capital programme and fit within the rates limits set in our financial strategy (with the exception of the first year of the plan).

This was particularly challenging in the face of lower returns from our Perpetual Investment Fund (PIF). Five years ago, the PIF was effectively subsidising rates by around \$20m, but now we are reducing the dividends (to \$7.34m in year one of the plan) so that our fund will indeed be perpetual instead of being whittled down year by year.

As a result of more than a year's work on budgets and work programmes, we have been able to set the increase in the total rates take for 2015/16 at 6.7 per cent – lower than the 6.8 per cent in the LTP. The average rates increase over the plan's 10-year life is 3.68 per cent per year, which is within the Council's proposed Financial Strategy of an average of 3.5 to 3.9 per cent.

Hard decisions have been made and new projects have been planned for. As a result, I believe our 10-year plan will help the district continue to be 'Like No Other' while we keep a tight hold on the costs.

Andrew Judd  
New Plymouth District Mayor

**As NPDC Chief Executive, it is my responsibility to lead the organisation in delivering on the strategic vision and outcomes adopted by our Mayor and Councillors.**

To do this we need to be in great shape – operating effectively and efficiently and continually improving our performance as we serve our community. I am committed to developing an organisation that is agile, efficient, open, accessible and fit for the future.

Staff and NPDC have embraced some significant change over the past couple of years and this will continue. Launched in 2012, our internal Performing at Our Peak programme is aimed at developing a talented and community focused workforce.

The public rightly expect that this organisation will run effectively and efficiently, and we must build trust that we are doing exactly that.

In recent years we have reduced our cost of the community by many millions of dollars. Adjusting for inflation and growth, we have reduced our operational spending by almost \$9m over the last five years.

Among the wide range of efficiency initiatives we have also:

- Developed smarter practices in the procurement of goods and services to ensure we get best value for money.

- Reduced our fleet from 124 to 86 vehicles, saving \$1.5m since 2007.
- Reduced our consumption of gas and electricity, saving \$1.4m over the last seven years and winning an Energy Efficiency Conservation Authority award in 2012 and a Taranaki Regional Council Environmental Awards in 2014.
- Introduced tighter recruitment practices, thoroughly examining every vacancy to ensure the role is still needed.

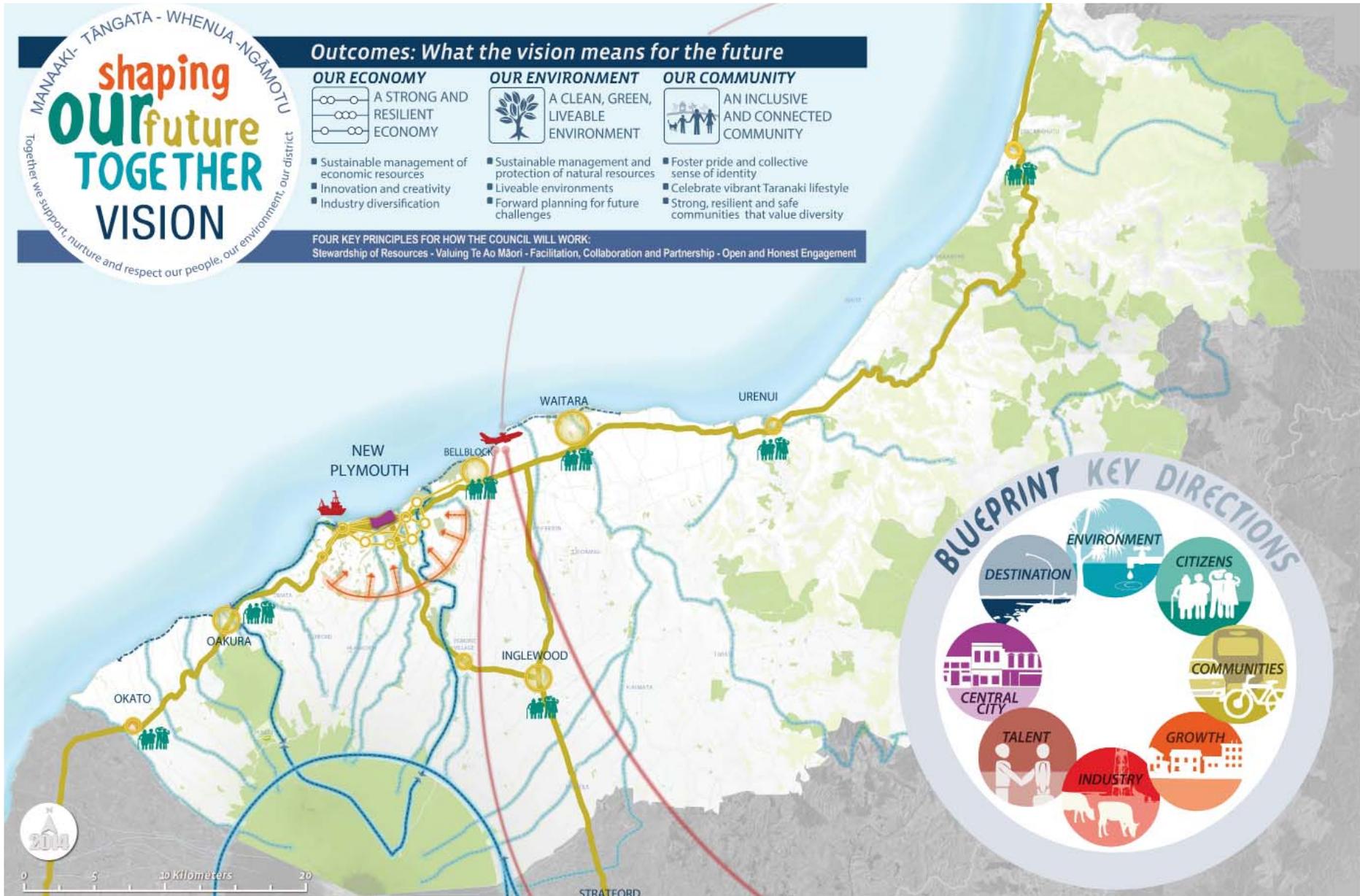
Overall, we have cut the amount we will collect in rates over the next seven years by \$79m from the previous Long-Term Plan. Over the full 10 years of the Long-Term Plan 2015-2015, we have budgeted savings of \$20m in the cost of running the organisation.

But we are not resting on our laurels. A major realignment of our organisation is under way and will be completed this year. This will result in a more streamlined organisation with better functional clarity, excellent leadership and a more integrated way of planning and working. In turn, this will lead to improved service to our community as well as a reduced cost of operation.

Barbara McKerrow  
Chief Executive



# Strategic Framework



The Council has developed a new strategic framework to guide decision-making, planning, policy and strategy development. The framework consists of the Shaping Our Future Together (SOFT) vision, outcomes and principles; and the New Plymouth District Blueprint.

## **Shaping our Future Together**

During 2014 the Council initiated the SOFT community engagement programme with the district's community to find out what our residents' priorities are for the future of New Plymouth District.

The SOFT engagement included community conversations with the public in urban centres throughout the district, with community groups, leaders, a CBD Liaison Group and online chats with the Mayor.

The strong message from our community was that New Plymouth District offers a great lifestyle and we need to value what we have. Residents said the Council has a key leadership role to play in articulating a vision for the district and working in partnership with the community to keep the district progressing in line with the community's priorities.

As a result, we have:

- A SOFT vision that acknowledges and respects our heritage as we look to the future.
- Outcomes that articulate the key intent of the vision and identify the key priorities to help achieve it.

- Principles to guide the work of the Council to achieve the outcomes and give effect to the vision.

## **New Plymouth District Blueprint and Key Directions**

The New Plymouth District Blueprint is a high-level spatial plan for the district that supports and implements the SOFT vision and outcomes and will help guide Council decision-making to deliver more integrated social, economic and environmental outcomes for the community.

The Blueprint is supported by eight key directions that will be the Council's focus for planning during the next 30 years. The directions are summarised below and provide a clear signal to other agencies, businesses, industries and the community on how the Council will focus its resources and deliver on the community outcomes.

### **Environment: Enhance the natural environment with biodiversity links and clean waterways.**

The district is home to a unique natural environment with significant areas of indigenous vegetation, and rivers and waterways that flow from the mountain to the sea. Enhanced biodiversity will not only be positive for the natural environment and clean water but will also have significant cultural and economic spin-offs. Biodiversity outcomes will be achieved through collaborating with landowners and agencies – a

multi-agency approach is required to achieve the desired environmental outcomes.

### **Communities: Strengthen and connect local communities.**

New Plymouth District is made up of many communities and neighbourhood centres. Strengthening and connecting local communities ensures that they become successful, safe and liveable environments for residents. The Council's role is to support community, business and industry initiatives by providing high-quality public infrastructure and a pragmatic regulatory response that helps our community achieve their goals.

### **Citizens: Enable engaged and resilient citizens.**

Engaging and enabling citizens will help to build community resilience. Encouraging community participation in events that are run in our parks and places will promote community connectedness and overall well-being. It is the Council's role to build strong strategic partnerships and encourage public and community sector collaboration, leading to more sustainable social, economic and environmental outcomes.

### **Growth: Direct a cohesive growth strategy that strengthens the city and townships.**

Our district is growing and we need to consider how we provide for growth into the future. As a result of the anticipated population growth, new growth areas will be required in the city and towns to provide for additional dwellings during the next

# Strategic Framework



30 years. Determining the appropriate locations for growth will contribute to all the community outcomes. The Council needs to be clear on how and where it will accommodate growth into the future, through providing adequate land supply and planning for network infrastructure in appropriate locations.

## **Industry: Strengthen and manage rural economy, industry, the port and the airport.**

Our economy has a strong agricultural base and a nationally significant oil and gas sector. It also has a fast-growing poultry sector with significant expansion likely in the short term. Protecting and strengthening these industries will be important for ongoing economic growth and the subsequent benefits for the community. The Council's role is through its funding of economic development initiatives (Venture Taranaki Trust) to help drive economic activity in the region. The Council can also support industry through appropriate infrastructure provision and a pragmatic solutions-focused District Plan and regulatory framework.

## **Talent: Grow and diversify new economies that attract and retain entrepreneurs, talented workers and visitors.**

New Plymouth District economy is strong, supported by agricultural economies, oil and gas and small business. There is a need to focus on growing a more diverse economy based on our ability to attract and retain talented workers, entrepreneurs and visitors. The Council has a

role in ensuring that the highly-regarded Taranaki lifestyle is maintained, supported by our unique landscape, recreation opportunities, rich culture and history.

## **Central City: Champion a thriving central city for all.**

The central city of New Plymouth is the social, cultural and business hub for the district and the wider region. However, retail in the central city is facing a challenging transition in the face of new format retail experiences and online retail sales. The central area will need to deliver a diversity of speciality retail, entertainment, cultural and social experiences. The Council has a role in working with business and other stakeholders to develop a strategic approach to drive the success of the central business area.

## **Destination: Become a world-class destination.**

Our natural assets – our parks, rivers, coast and Maunga Taranaki – are what make the district a unique and special place to live and visit. A 'flagship' initiative to lead this direction is the Taranaki Traverse – a world-class recreational, environmental and cultural tourism experience. This is a long-term initiative that will require time, focus and a collaborative, multi-agency approach.

The Blueprint will include an implementation framework with an action plan for each of the key directions.

The Long-Term Plan 2015-2025 is a strategic document setting out the services and projects the Council intends to deliver during the next decade for New Plymouth District, including a plan for how the Council will fund these activities.

The Council is responsible for a wide range of activities, ranging from physical infrastructure to community services. The Council:

- Maintains approximately 1,800km of footpaths, roads and walkways.
- Provides water to 28,000 households and businesses, collects wastewater from 25,000 properties, and collects stormwater from 6,600ha of urban land.
- Provides refuse and recycling services.
- Provides 1,440ha of parks and reserves, including playgrounds and sports fields.
- Provides Puke Ariki and district libraries.
- Provides the Govett-Brewster Art Gallery/Len Lye Centre as well as art in public places.
- Runs key venues, including the TSB Bowl of Brooklands, TSB Showplace, TSB Stadium and Yarrow Stadium.
- Protects public health through food safety and liquor licensing.
- Funds Venture Taranaki Trust to provide economic development services.
- Provides protection through civil defence and rural fire activities.

- Regulates the natural and urban environment through the District Plan.
- Supports community organisations through partnerships and funding.
- Operates the New Plymouth Airport.

The Council also undertakes necessary administrative and financial tasks to support this work, including managing the Perpetual Investment Fund and a number of forestry joint ventures.

During the next 30 years the Council will need to renew (replace) approximately \$660m worth of infrastructure assets, which represents 41 per cent of the fixed asset base. The Council is continuing to be prudent in the funding of future renewals to avoid funding gaps.

### **Future growth of the district**

Since 2001 New Plymouth District has seen a significant increase in population, reflecting changes to the economic landscape. The current population of approximately 75,000 is expected to grow to approximately 83,000 during the next 10 years. The Council has a key role to play in managing this growth for the benefit of the district.

The Council has identified a number of urban growth areas during the next 10 years to ensure there is sufficient and suitable land for future commercial, industrial and residential development. Further work will include discussions with the community through the

development of Local Area Blueprints to identify further urban growth areas.

Urban growth requires the development of necessary infrastructure to support it. This includes new roads, water networks and parks and reserves. New urban growth may also lead to upgrades or additions to existing infrastructure to cope with increased demand – such as mechanisms to address supply and demand of water. The cost of new infrastructure is shared between the Council and developers to ensure the costs of a development lie with those who benefit from it.

Managing growth and its impacts is also important to our existing communities. Careful planning is necessary to ensure existing infrastructure is able to meet additional demand. For example, a second vehicle bridge over the Waiwhakaiho River is critical to facilitate growth in the district and provide resiliency in the transport network. While projects such as this sit outside the 10 years of the plan, they are captured within our 30-year Infrastructure Strategy which details the challenges our infrastructure will face during the next three decades and the options for meeting these in a way that builds on the quality of life our community enjoys.

Meeting the growing demand for water is one of the most significant infrastructure issues we are currently facing. A secure, healthy water supply is a vital service for our community and the Council is committed to exploring options for achieving this in a cost-effective and efficient manner.

## Changes to Levels of Service



On 25 July 2015 the Council will reopen the Govett-Brewster Art Gallery and open the new Len Lye Centre. The new combined facility will provide access to Len Lye's visionary work, as well as continuing the contemporary art programme of the Govett-Brewster Art Gallery. The Len Lye Centre was built without Council funds, with significant contributions from the Government's Regional Museums Policy, the Lottery Grants Board, Todd Energy and private contributors.

The upgrade to the New Plymouth Wastewater Treatment Plant, serving communities across the district, will allow us to meet the demands of future growth in households and businesses. The upgrade was undertaken alongside the construction of a pipeline from Waitara to New Plymouth to transfer the town's domestic sewage to the plant.

The Council will introduce a new rubbish and recycling service in October 2015, as well as a new resource recovery facility at Colson Road. The Colson Road Landfill is expected to reach capacity in 2019 and the three Taranaki district councils are working together on options for funding a new landfill, which may include each council becoming a shareholder in a landfill and contributing towards its development costs.

The Council has included budgets for a number of minor upgrades to core infrastructure over the next 10 years. These include improvements to parks, \$100,000 per annum for dust-coat sealing of rural roads, cycling and walking improvements, and improvements to the three water networks.

The Council is reducing the financial support it provides to community organisations by reducing its the Community Development Fund by \$200,000 to \$670,000 per annum. The new level of funding reflects a new, more strategic approach to community funding, with the fund being underspent in recent years. The Council is also moving to a strategic partnership approach in the non-financial support we provide to community organisations with a reduction in operational funding for our community development service.

## Striking a balance between progress and affordability

There have been a number of challenges facing the Council in the development of our Financial Strategy. These include the New Plymouth Wastewater Treatment Plant upgrade, the new recycling system that begins later in 2015 and planning for growth across the district. However, the main challenge has been a reduction in annual release payments from the Perpetual Investment Fund (PIF), from \$20m five years ago to a proposed \$7.34m in the first year of the Long-Term Plan 2015-2025 (LTP).

We are focused on reducing operating costs, increasing revenue where possible, reducing the amount of new capital expenditure and generating long-term savings.

The Financial Strategy builds resilience and sustainability by lowering the borrowing requirement from previous LTP levels, reducing the total rates requirement in comparison to previous years and reducing reliance on the PIF to ensure its sustainability into the future.

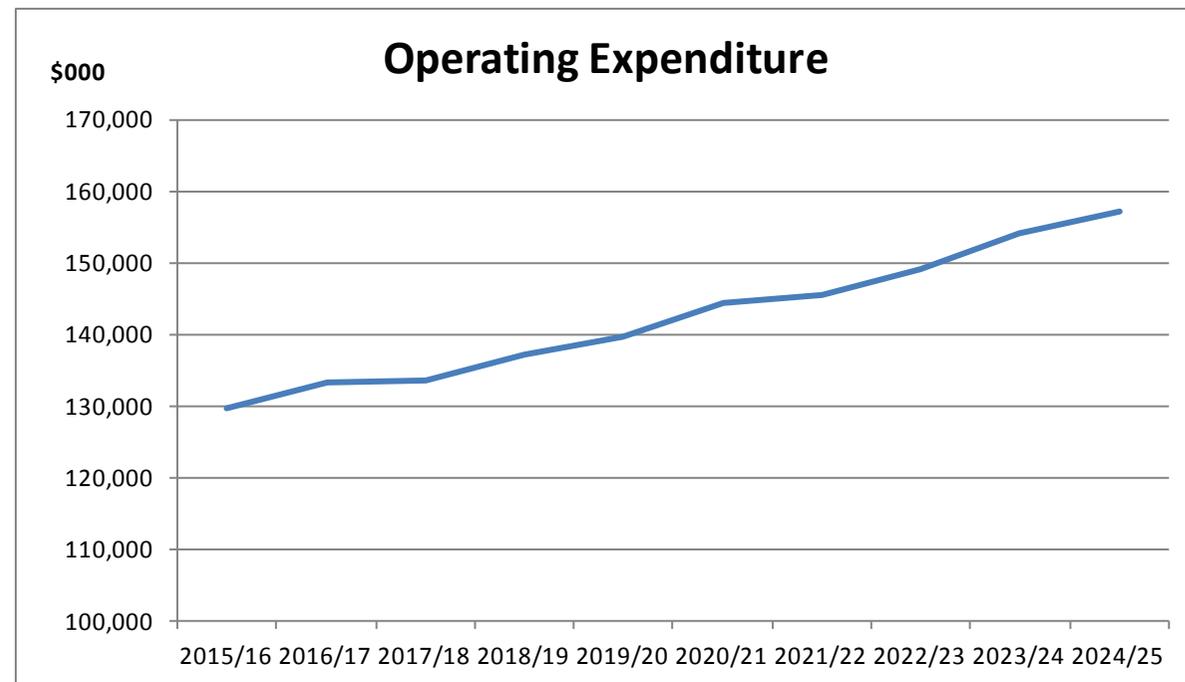
## Operating expenditure

The Council is committed to continuous improvement and finding new ways to deliver our services in the most cost-effective way to our community. This includes ensuring the organisation is structured in a way that is agile and fit for the future.

Total operating expenditure rises on average 1.9 per cent over the 10 years of the LTP, primarily driven by inflation. Local government costs have historically risen faster than household inflation, and the Local Government Cost Index forecasts an average 2.9 per cent increase in operating costs each year. The Council has a strong focus on being effective and efficient and the plan includes 'invest to save' initiatives, such as replacing streetlights with new LED technology and offering more digital services to our customers.

## Capital expenditure

Capital expenditure is the purchase of new assets or the maintenance of existing assets. Capital expenditure is categorised into renewals (renewing existing assets), service level (new assets that increase the level of service to the community) and growth (new assets required to accommodate growth within the district).



# Financial Overview



## Capital expenditure continued

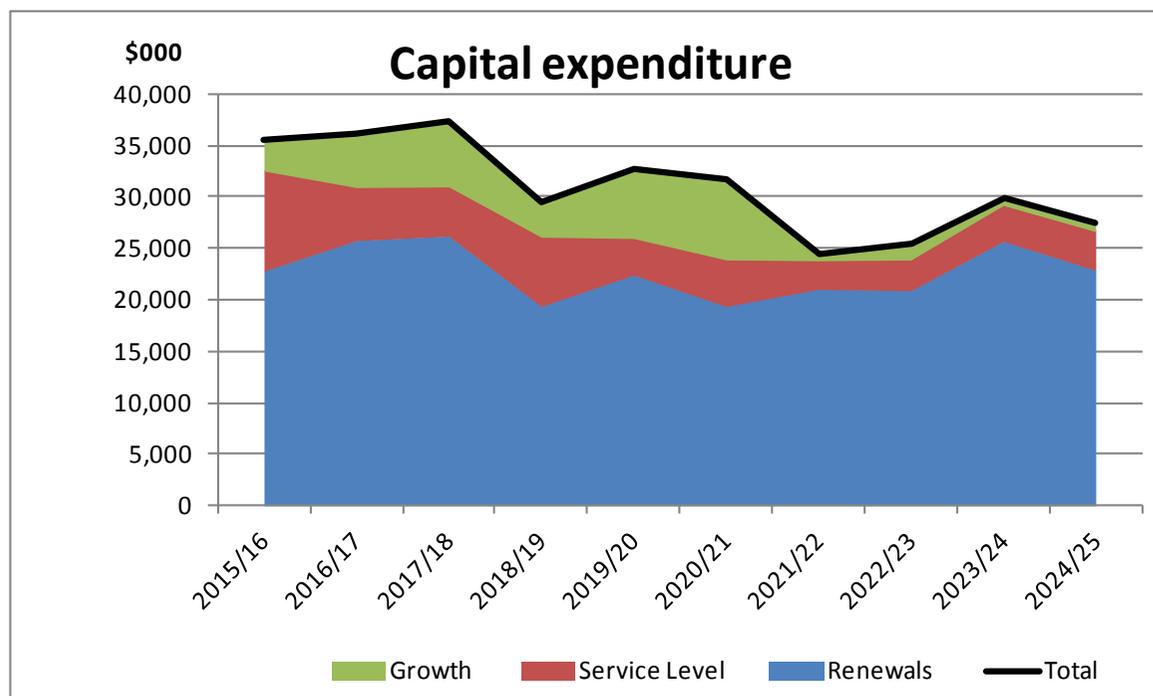
Total renewal expenditure of \$225m over the 10-year-period of the plan is about \$20m more than budgeted in the Long-Term Plan 2012-2022. It is important the Council continues to ensure our assets are well maintained and deliver the level of service that is required. Expenditure on assets is detailed in our comprehensive Asset Management Plans (AMPs), which are reviewed and updated each year. To help ensure the AMPs are robust, they are regularly audited and peer reviewed. Funding for renewal expenditure comes from rates and uses a long-run average renewal approach based primarily on the age of our assets.

Service level and growth capital expenditure (new capital spend) of \$84m is a reduction from the previous plan of \$157m. There are two primary drivers for the lower capital spend. First, the TSB Stadium (\$30m capital expenditure) and Todd Energy Aquatic Centre (\$14m capital expenditure) projects included in the previous LTP have been deferred outside the 10 years of the plan but are contained within the 30-year Infrastructure Strategy. Second, a number of growth infrastructure projects are proposed to be developer-led, which will mean the Council will not need to fund the upfront borrowing.

There are a number of significant new capital projects during the next 10 years. These include the capital expenditure for the new rubbish and recycling service and the new resource recovery facility at Colson Road. There are also new pipes and trunk mains to increase water supply capacity, and further improvements to the New Plymouth Wastewater Treatment Plant. There are also developer-led growth projects for new urban areas.

## Rates

We are conscious that rates affordability is an important issue for our community. The Council has set a limit on increases in the total rates requirement of five per cent in any one year, with a 10-year average increase in rate requirement of between 3.5 and 3.9 per cent over the 10 years. The Council notes that the percentage increase in Year One (2015/16) is outside this limit.



## Perpetual Investment Fund (PIF)

Over the last eight years the PIF has been a key contributor to the district contributing \$179m in release payments to the Council. These funds have helped the district become and remain a vibrant place in which to live and work. The impact of the 2008/09 global financial crisis, coupled with historically high annual release payments made to the Council has seen the value of the PIF fall from \$259m at inception to \$218m at 30 June 2014.

The high releases are acknowledged in the Long-Term Plan 2012-2022, in which the Council states its desire to reduce annual release payments in order to ensure long-term sustainability of the fund. Since 2012 it has become clear that release payments need to be further reduced to ensure the PIF lives up to its founding principle as a perpetual fund.

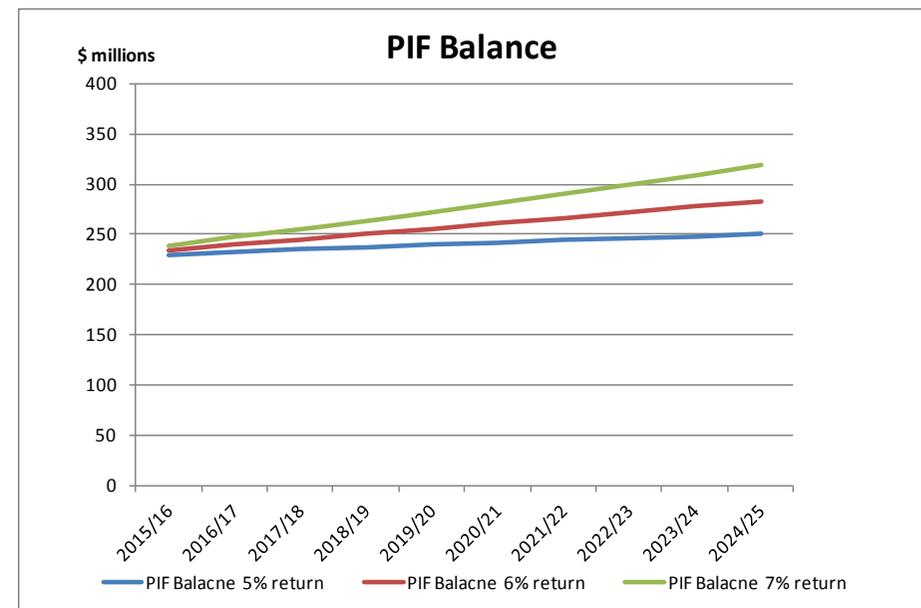
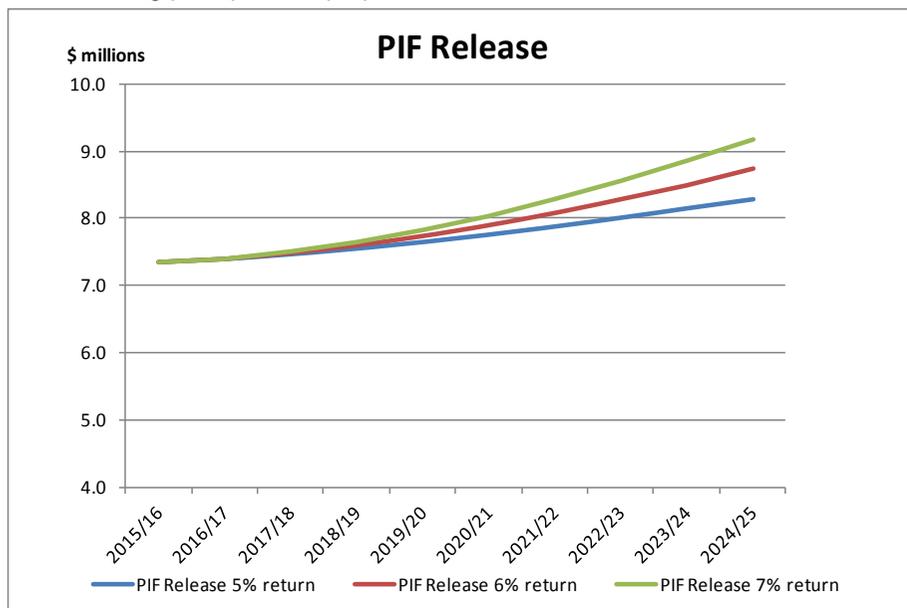
As a result the PIF release rule has now been amended to a 3.3 per cent inflation-adjusted release, which reduces the release from \$9.1m to \$7.34m in year one of the LTP. The impact of this adjustment is an increase of \$1.7m, or about 2.3 per cent, to the total rates requirement for year one.

The PIF Release graph below reflects the growth in the annual release at rates of return of five to seven per cent. Based on this it is projected that the release in year 10 of the LTP will be \$8.3m at a return rate of five per cent and \$9.2m at a return rate of seven per cent. This gradual increase in the release will help to ease the impact on the overall rates requirement.

The above strategy achieves two objectives – ensuring the long-term growth of the fund and helping to reduce the impact on rates.

The PIF Balance graph below reflects the growth of the fund at rates of return of five to seven per cent, after allowing for release payments. Under these scenarios the fund is forecast to have a value of between \$250m and \$319m by the end of year 10. Part of the strategy to maintain growth in the fund is to return it to a more diversified portfolio.

This will require some form of divestment from Tasman Farms Limited. To help achieve this a new Council-controlled Trading Organisation (CCTO) the Tasman Land Company Limited (TLC) was set up. The primary purpose of TLC was to acquire the remaining 1.6 per cent of minority shareholders the Council did not own of Tasman Farms Limited. For further information on TLC refer to section 6 Council-controlled Organisations. TLC was set up under the authority of an existing Council resolution.



# Audit Opinion



## To the reader

### **Independent auditor's report on New Plymouth District Council's Long-Term Plan 2015-2025**

I am the Auditor-General's appointed auditor for New Plymouth District Council (the District Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's Long-Term Plan (the plan). I have carried out this audit using the staff and resources of Audit New Zealand. We completed the audit on 30 June 2015.

## Opinion

In my opinion:

- the plan provides a reasonable basis for:
  - long-term, integrated decision-making and coordination of the Council's resources; and
  - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 32 to 34 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 and accurately reflect the information drawn from District Council's audited information.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee complete accuracy of the information in the plan.

## Basis of Opinion

We carried out our work in accordance with the Auditor-General's Auditing Standards, relevant international standards and the ethical requirements in those standards.<sup>1</sup>

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our audit procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face over the next 30 years;

<sup>1</sup> The International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and *The International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information*.

- the information in the plan is based on materially complete and reliable asset and activity information;
- the Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures and forecast financial information has been adequately explained within the plan.

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

## Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

I am responsible for expressing an independent opinion on aspects of the plan, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

## Independence

We have followed the independent requirements of the Auditor-General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.

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

# Maori Contribution to Decision-making



Section 81 of the Local Government Act 2002 requires the Council to outline how it provides opportunities for Māori to participate in Council decision-making. This section explains the current arrangements that the Council has to support this requirement and the additional steps that are needed to progress this objective.

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

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

Within the six iwi, there are 11 recognised hapū within New Plymouth District:

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

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

However, the Council acknowledges that there are ways in which the Council can improve its relationships with Māori to enable more effective participation in Council operations and processes.

The Council adopted a new strategic framework in November 2014. The strategic framework has been developed in response to feedback received from the Council's Shaping Our Future Together community engagement programme. The strategic vision "*Manaaki • tāngata • whenua • Ngāmotu*" is supported by community outcomes and principles. One of the key principles "Valuing Te Ao Māori" guides the Council to value the Māori world view during Council decision-making processes.

## Staff resources

Underpinning the Council's commitment to the effective engagement of Māori in decision-making is the provision of dedicated staff and other resources to support, advocate on behalf of and guide the Council's interactions with Māori. The purpose of this staff resource is to increase Māori influence in the Council and foster greater understanding and appreciation of Māori issues.

Many staff work alongside tangata whenua as part of their day to day work.

## Policy

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

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

## Committees and forums

### Komiti Māori

Komiti Māori is an official committee of the Council and comprises six councillors and 10 tangata whenua representatives. Komiti Māori is currently in recess, awaiting further discussion and engagement around the establishment of a Māori ward in the district. Regular meetings between the iwi chairpersons, the Mayor and the Council committee chairpersons are held to discuss and agree on methods for better participation and engagement of iwi Māori in Council decision-making processes.

Tangata whenua representatives can be appointed to the Council's subcommittees as required.

# Maori Contribution to Decision-making

## Tangata Whenua forum

Tangata whenua forum is an opportunity for any tangata whenua member to raise issues, gain information about and/or discuss any business involving the Council. It is not an official Council committee that meets on the six-weekly Council meeting round; instead, it is a forum for discussion to occur and as such it is open to anyone who wishes to attend and discuss matters. The members of the forum are mandated members from each of the 11 district hapū. The forum is also a place to talk about tangata whenua issues thoroughly and coordinate a consensus decision approach. The forum therefore provides opportunities for tangata whenua to form a united front for effective advocacy to the Council.

## Other policies, liaison, agreements or memoranda with Maori

### Puke Ariki Kaumātua Committee

Kaumātua Kaunihera o ngā Whare Taonga o Puke Ariki was established in 2004. This committee is a group of kaumātua from around Taranaki who advise Puke Ariki on issues pertaining to Māori, the taonga Māori collection and tikanga. Te Kaumātua Kaunihera o ngā Whare Taonga o Puke Ariki is open to all kaumātua of Taranaki and meets monthly.

### Puke Ariki collections plan

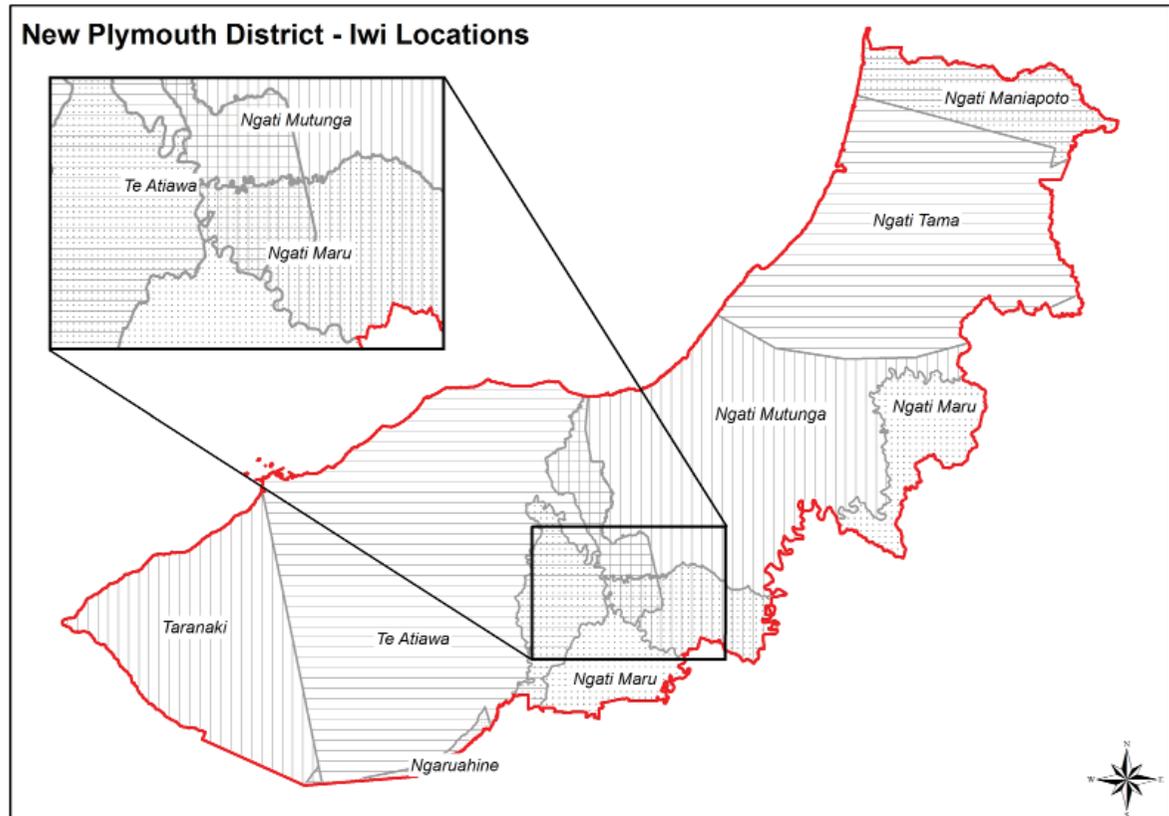
As part of the Council's Puke Ariki collections plan, Puke Ariki will always endeavour to consult with the appropriate Māori community when a decision is to be made regarding a particular taonga or group of taonga.

## Puke Ariki exhibitions

Puke Ariki has a long-term gallery (Takapou Whāriki) specifically telling the story of iwi from around Mount Taranaki. A major on-going project to refresh the long-term galleries has commenced and as stories are developed, iwi will have an opportunity to participate in this process to ensure content meets their needs.

## Management of reserve lands

The Te Rewa Rewa Management Committee (TRRMC), comprising of trustees from Ngāti Tawhirikura A Hapū Trust and the Council has been established as a partnership to meet the aims and aspirations of the hapū and the Council with regard to the Te Rewa Rewa Reserve. TRRMC has established a strategic vision, a strategic intent and a set of guiding principles as the foundation documents for the group.



# Maori Contribution to Decision-making



A management plan is being developed by the committee to provide for the ongoing day-to-day management of the reserve and to plan for public access via the new pedestrian bridge over the Waiwhakaiho River and walkway extension. The committee is resourced by the Council.

## Engagement with Māori

The Significance and Engagement Policy sets out the Council's commitment to engage with tangata whenua on any issue that is likely to affect them, or on any matter where they have an interest. As part of the Council's operations, engagement is undertaken on a regular basis in the following key (but not exclusive) areas: Long-Term Plan, District Plan, Coastal Strategy, Annual Plan, regulatory and environmental management, roading, heritage, walkways and reserves. Engagement usually takes place in the form of hui with district iwi and hapū or their representatives.

## Funding support

The Council recognises that the ability of Māori to take part in the decision-making process is in part constrained by funding, particularly with regards to resource management issues, where access to expert or scientific advice or legal opinion is a costly and complex exercise. In acknowledgment of these costs, some funding is available to support tangata whenua engagement in resource management issues.

Resources are also made available to support the maintenance of marae through a Marae Grants Policy and a Heritage Protection Fund.

## Marae development plans

A Marae Development Plan is an asset/strategic plan for marae which will support the iwi/hapū to plan for the protection and development of their marae now and into the future. This project is funded jointly by the Council and Te Puni Kōkiri, with nine of the 10 district marae participating. The project commenced in 2006 and in 2011 marae development plans were completed for the nine participating district marae.

In 2012 the marae trustees began to work together to develop a forward plan to support the iwi/hapū/marae to access external funds to support marae development from both the Council and other funding bodies. In 2014 the Council began to explore Stage 3 of the project involving completing the development aspects of the plans.

## Treaty settlements

Three iwi within New Plymouth District, Ngāti Tama, Ngāti Mutunga and Te Ātiawa, have settled their Treaty of Waitangi claims with the Crown. Taranaki have entered into a heads of agreement with the Crown and are working towards a deed of settlement, while Ngāti Maru is currently investigating their claim.

Ngāruahine, a South Taranaki iwi, signed a deed of settlement with the Crown in June 2014. The Ngāruahine area of interest includes some land within the New Plymouth District. There is currently a limited relationship between the Council and Ngāruahine.

The settlement legislation highlights certain areas as places where an iwi has a statutory interest and obligates the Council to consider those interests and any opportunities for that iwi to be involved when notifying resource consents in those areas, and to include information about those statutory areas in its District Plan.

Settlement of the Treaty claims provides opportunities for meaningful participation of local iwi in all aspects of community decision-making, and the Iwi Relationships Team aims to work with iwi following settlement to develop a memorandum of understanding to guide the relationship.

In addition a Post Settlement Commitments Unit has been established by the Crown. The unit is developing a database with input from local authorities which will assist the Council in monitoring all legislative requirements as a result of settlements.

## Hapū memorandums of understanding (MoUs)

In June 2009, the Council signed a MoU with Ngāti Mutunga. The Council is continuing to work with hapū to explore the opportunity to develop individual memorandums of understanding. The objectives of the MoUs will be to set out the parameters of the relationship and principles of engagement between the hapū and the Council.

## Significant Forecasting Assumptions

In developing a long-term plan, the Council has to make decisions about how it will approach the future. Forecasting assumptions identify possible significant future events and trends and examine their likelihood and potential impact on the community and the Council. The assumptions deal with matters of uncertainty and complexity.

This section summarises the significant non-financial and financial assumptions identified as at March 2015. What happens over the next 10 years may differ significantly from what is set out here, but the assumptions reflect the most likely outcome as assessed at this point in time. You can find more detail on the financial assumptions in Section 5 Financial Information and Statements.

Issue	Assumption and detail	Level of uncertainty
Population	<p><i>Assumption:</i> There will be low to modest population growth in New Plymouth District over the next 10 years.</p> <p><i>Detail:</i> The population is projected to grow by an additional 8,000 people through to 2025. The forecast includes an increase in net migration over the lifetime of the plan. Any increase in population may result in a proportional increase in demand on the Council's services. The main demographic trend forecast for the life of the plan is that of an ageing population. The proportion of the population over 65 years of age is predicted to increase from approximately 18 per cent to 21 per cent of the district over the next 10 years. The ethnicity of the district's population will remain at around 88 per cent European for the next 10 years with the Māori population predicted to increase from 15 per cent to 18 per cent of the population.</p>	Medium
Infrastructural capacity	<p><i>Assumption:</i> There is sufficient existing and planned infrastructural capacity to cater for forecast population growth and new dwellings.</p> <p><i>Detail:</i> The population growth and rate of new dwelling projections may result in a small increase in demand on the Council's infrastructure (roads, parks, water services). Existing and planned infrastructure and renewals will be sufficient to meet this demand.</p>	Low
Economic growth	<p><i>Assumption:</i> Economic growth in the district will be modest over the next 10 years.</p> <p><i>Detail:</i> Gross Domestic Product (GDP) in New Plymouth District grew 1.4 per cent in the year to March 2013. This is less than the national growth rate of 2.6 per cent and slightly less than the Taranaki regional average of 1.6 per cent. The district's GDP is predicted to grow at a similar rate over the short to medium-term. The oil and gas industries continue to contribute significantly to the district's GDP.</p>	Medium

# Significant Forecasting Assumptions



Issue	Assumption and detail	Level of uncertainty
Rate and location of new residential development	<p><i>Assumption:</i> The annual rate of new dwellings is assumed to settle over the next 10 years to approximately 350 new dwellings per year. The principal demand for residential 'green fields' land supply will continue to occur around the periphery of New Plymouth urban area and at Bell Block.</p> <p><i>Detail:</i> After a period of high growth in new dwellings with a peak in 2006 (433) there has been an annual average of 308 new dwellings per year over the last five years, 328 over a 10-year period and 247 over a 20-year period. Assuming that the economic climate may fluctuate but will over the long-term (2015-2025) remain balanced it is forecast that the rate of new dwellings will settle at around 350 per year to meet demand from population growth. With predicted demand for new dwellings and recent rezoning of land for residential use this increasing trend is likely to continue for at least the next 10 years.</p> <p>The distribution of households will continue to follow the patterns of the recent past with the majority of the demand being for homes within New Plymouth and Bell Block and with lesser, but some, demand across the district's towns.</p> <p>Further opportunities for infill and medium density development are also available and would ensure optimum use of existing infrastructure and amenities.</p>	Medium
Climate change	<p><i>Assumption:</i> Climate change, climate hazards and extremes will increasingly affect the district.</p> <p><i>Detail:</i> Infrastructural planning to ensure future assets are of a sufficient standard and have adequate capacity to cater for predicted climate changes is of high importance to the Council. International research identifies that global warming is accelerating and having significant effects on the global environment. Climate changes have been identified by National Institute of Water and Atmospheric Research in a series of specific reports for the New Plymouth District. Over the life of the plan the main effects are forecast to be more frequent and severe storm events with increased precipitation and westerly winds.</p>	Medium
Legislation changes	<p><i>Assumption:</i> It is likely there will be political and legislative directives from central government on the form and function of local government that will affect the Council over the next 10 years.</p> <p><i>Detail:</i> Changes to legislation that the Council is aware of are the Health and Safety Reform Bill, Building (Earthquake-prone Buildings) Amendment Bill and Phase 2 of the Resource Management Reforms. Other legislative changes may occur over the next 10 years that the Council is not currently aware of.</p>	Medium

## Significant Forecasting Assumptions

Issue	Assumption and detail	Level of uncertainty
Timing of expenditure and revenues	<p><i>Assumption:</i> Expenditure occurs, and revenues are earned, in the year budgeted.</p> <p><i>Detail:</i> See Section 5 Financial Information and Statements.</p>	Medium
Inflation	<p><i>Assumption:</i> The cost of provision of the Council's services will continue to increase at approximately two per cent to four per cent annually over time.</p> <p><i>Detail:</i> See Section 5 Financial Information and Statements.</p>	Low
Revaluation of infrastructural assets	<p><i>Assumption:</i> The cost of new and replacement assets will rise in line with inflation.</p> <p><i>Detail:</i> See Section 5 Financial Information and Statements.</p>	Low
Depreciation expense, funding and renewals	<p><i>Assumption:</i> The Council will ensure that there is sufficient funding to meet planned renewal requirements.</p> <p><i>Detail:</i> See Section 5 Financial Information and Statements.</p>	Low
External funding support	<p><i>Assumption:</i> External funding from New Zealand Transport Agency (NZTA) for the maintenance and renewal of roads and associated assets is likely to be lower than previous funding levels. Other government funding will remain at levels similar to those currently received. Other external parties funding support will remain at levels similar to those currently received.</p> <p><i>Detail:</i> See Section 5 Financial Information and Statements.</p>	Medium
Investment revenues and values	<p><i>Assumption:</i> The Perpetual Investment Fund (PIF) is expected to earn six per cent per annum on average over the next five years and 7.6 per cent for the following five years.</p> <p><i>Detail:</i> See Section 5 Financial Information and Statements.</p>	Medium
Borrowing and interest rate risk	<p><i>Assumption:</i> Lenders will continue to provide funds to meet the Council's requirements for loan funding (redemption and new).</p> <p><i>Detail:</i> See Section 5 Financial Information and Statements.</p>	Low
The Council's policies	<p><i>Assumption:</i> The Council's policies in the Long-Term Plan 2015-2025 will remain applicable over the next 10 years, particularly over the ensuing three years.</p> <p><i>Detail:</i> See Section 5 Financial Information and Statements.</p>	Low
Infrastructure asset service lives	<p><i>Assumption:</i> Asset lives are achieved.</p> <p><i>Detail:</i> See Section 5 Financial Information and Statements.</p>	Low

# Significant Forecasting Assumptions



Issue	Assumption and detail	Level of uncertainty
Affordability	<p><i>Assumption:</i> The affordability of essential goods and services will continue to be affected by inflation.</p> <p><i>Detail:</i> Inflation is predicted to gradually lift to 2.4 per cent by 2016 wages are expected to grow at a reasonable rate over the next three years. If these trends continue affordability of essential goods and services are unlikely to be negatively impacted.</p>	Medium
Existing and future resource consents	<p><i>Assumption:</i> Existing and future resource consents will be either renewed or obtained when required.</p> <p><i>Detail:</i> The Council is legally required to obtain resource consents for various activities. It will continue to work closely with Taranaki Regional Council to ensure existing and future resource consents are renewed or obtained without affecting service delivery.</p>	Low